

The Global Newspaper
Edited in Paris
Printed Simultaneously
in Paris, London, Zurich,
Hong Kong, Singapore,
The Hague and Marseille

WEATHER DATA APPEAR ON PAGE 14

No. 31,882

Herald Tribune

Published With The New York Times and The Washington Post

ZURICH, THURSDAY, AUGUST 22, 1985

ESTABLISHED 1887

Benazir Bhutto Says 60,000 She'll Stay, Fight Zia Protest In Manila

LARKANA, Pakistan — Benazir Bhutto, a central figure in Pakistan's opposition movement, brought her brother's body home for burial Wednesday and vowed to stay and fight the military regime that overthrew and executed her father, Prime Minister Zulfikar Ali Bhutto.

Tens of thousands of supporters greeted Miss Bhutto, who was accompanied by four other leading politicians, when she arrived from self-imposed exile in Europe with the body of her brother, Shah Nawaz Bhutto. He was found dead last month at his home in France under circumstances yet to be explained.

He had been wanted in Pakistan on terrorism charges.

Bhutto supporters lined the road for nearly 20 miles (32 kilometers) as the body was escorted into Larkana, an agricultural center 200 miles north of Karachi that is the Bhutto family's hometown.

Miss Bhutto, 32, is political heir of her father, who founded the Pakistan People's Party that she now leads. General Mohammed Zia ul-Haq, now Pakistan's president, overthrew Mr. Bhutto in a 1977 coup and Mr. Bhutto was hanged in 1979 after conviction on charges of conspiring to murder a political opponent.

Miss Bhutto, who went to London 18 months ago when General Zia's government released her from house arrest, said that she intends to remain in Pakistan and continue her political opposition.

She said that she would spend at least 40 days of mourning in Larkana before deciding on a precise course of action, but added that she was "more committed than ever before" to the political struggle. "There have been far too many sacrifices," she said.

Miss Bhutto dismissed the announcement earlier this month that General Zia would end martial law by the end of the year and remove the ban on political activity.

Under the plan to end martial law, General Zia would turn over the running of the government to a civilian cabinet he already has appointed and remain in office as a civilian president.

Other senior leaders of the opposition coalition Movement to Re-



Benazir Bhutto

store Democracy, who returned from Europe with Miss Bhutto, asserted that the appointed cabinet led by Prime Minister Mohammed Khan Junejo was merely a front for the military.

One of those who returned from exile, Ghulam Mustafa Jatoi, said he also would remain in Pakistan to help lead the opposition. "Zia ul-Haq has no intention whatsoever of lifting martial law," he said.

"Shah Nawaz Bhutto's body was taken to the family graveyard after a religious ceremony for burial next to his father's grave. About 50,000 people crowded into the sports stadium for funeral prayers and to pay their last respects.

Mr. Bhutto, 27, was found dead July 18 in his apartment in Cannes. There were signs of suffocation, but an autopsy was inconclusive. A second autopsy was performed, but the results have not been revealed.

At a news conference Wednesday night, Miss Bhutto said she could not accept that her brother had died a natural death.

He was wanted in Pakistan on several charges. He was accused of planning the 1981 hijacking of a Pakistan International Airlines plane, with more than 100 passengers aboard, first to Kabul, Afghanistan, and later to Damascus.

One Pakistani diplomat aboard the aircraft was killed by the hijackers.

Anti-Marcos Rallies Mark Aquino Killing

The Associated Press

MANILA — More than 60,000 people marched through Manila on Wednesday, in the biggest anti-government protests in a year, to mark the anniversary of the assassination two years ago of the opposition leader Benigno S. Aquino Jr.

Soldiers used water hoses to break up another demonstration by 5,000 people in the central Philippine city of Cebu. Sixteen protesters and four soldiers were injured as demonstrators retaliated by throwing stones, witnesses said.

Clouds of confetti poured from office windows in Manila as 30,000 people, facing heavy rains, clogged a major intersection in the financial district of Makati. Mr. Aquino's widow, Corason, wrapped in a raincoat, urged the chanting, cheering protesters to say "goodbye" to President Ferdinand E. Marcos.

More than 20,000 people in a more militant, leftist protest confronted barbed wire barricades and anti-riot troops around the presidential palace. They chanted "NPA is growing," in support of the New People's Army, a Communist guerrilla group fighting the government.

Protests also took place in several other cities, including General Santos, Naga, Legaspi, Dagupan and Laoang. The government news agency reported a pro-government rally by 20,000 people in Laoang, capital of Mr. Marcos's home province.

Mr. Aquino, who many people had believed might succeed Mr. Marcos, was shot to death on Aug. 21, 1983, as he arrived back in the Philippines from self-imposed exile in the United States. Three generals, 22 other soldiers and one civilian are on trial for the killing, which the military blames on Communists.

"We have been asking Marcos to resign but he doesn't hear us," Mrs. Aquino told the protesters in the financial district. "Perhaps we should just say 'goodbye.'"

The crowd included businessmen, socialists, office workers and peasants.

One opposition leader, Salvador H. Laurel, waved a sheaf of papers that he said contained evidence of property the Marcoses and their "cronies" have accumulated abroad.

Yellow banners bearing Mr. Aquino's likeness appeared prominently at the financial district rally. Red banners denouncing the "U.S.-Marcos dictatorship" prevailed at the central Manila protest.

Mr. Aquino's brother, Agapito, said at the financial district rally, "I don't want the Communists to take over from Marcos." But, he added, if Mr. Marcos does not allow fair

(Continued on Page 2, Col. 1)



Corason Aquino, widow of the assassinated opposition leader, placed a wreath on the statue of Benigno S. Aquino Jr. during a rain-drenched rally attended by 30,000 in Manila.

U.S. Anti-Satellite Weapon Is Ready, But Wisdom of Testing Is Questioned

By William J. Broad

New York Times Service

NEW YORK — Scientists say that the U.S. anti-satellite weapon, if fully developed, would be vastly more advanced than the Soviet one. They say it would be a marvel of high-technology miniaturization.

"If it works, ours is going to be a

lot better," John Fike, head of space policy at the Washington-based Federation of American Scientists, said in an interview Tuesday. "It's going to be 10 times faster, and potentially there will be 10 times as many of them. It's going to be able to place a lot more satellites at risk."

Scientists are generally confident, too, that the U.S. weapon is so close to technical realization that all it needs is final testing.

But there is heated debate over whether the United States should go ahead with that testing.

Some experts say that, although the U.S. device is highly advanced, it remains militarily useless unless it is finally tested against a target orbiting in space. They say the Soviet Union already has a working weapon, though a more primitive one, and the United States must catch up.

Daniel O. Graham, a retired lieutenant general who used to be head of U.S. Air Force intelligence, said Tuesday, "The Soviets can destroy a lot of important satellites and we

have to counter that. For that reason alone it is necessary to test this weapon."

However, other scientific and technical experts argue that the nation and the world would be far better off if the United States did not go ahead with the final stage of its anti-satellite weapon program in the hope of negotiating a ban on such weapons. They argue that the Soviet advantage in this particular area is minimal and that the United States has a distinct advantage in the overall field of space-arms development.

According to a study by the Union of Concerned Scientists, based in Cambridge, Massachusetts, the Soviet anti-satellite weapon

Tass Says Test to 'Militarize' Space

Reuters

MOSCOW — The Soviet news agency, Tass, said Wednesday that Washington's decision to press ahead with testing an anti-satellite weapon would cause a superpower arms race in space.

Tass said in a commentary that Moscow would keep to the unilateral freeze on anti-satellite weapons announced by late President Yuri V. Andropov only if other countries held off too.

"Washington has made another step along the line of preparing for large-scale militarization of space," Tass said. It said responsibility for starting an arms race in space would lie with "those who are prepared to start dangerous experiments in near-earth orbit."

It denounced what it called the cynicism of Washington's assertion that the new anti-satellite test would promote progress at the Geneva talks on nuclear space weapons. "Washington believes that the rest of the world consists of simpletons who can swallow any propaganda dish," it said.

on is something of a blunderbuss estimated to weigh more than two tons. The weapon and liquid-fueled booster rocket stand 150 feet (45.4 meters) tall, they say. Launching it is anything but speedy. Soviet strategists must wait up to 24 hours, until the turning of the Earth brings a particular target over the Asian launching site.

Another factor that would slow an attack is the fact that the warhead, rather than making a direct ascent, goes into orbit and only closes in on its target after one or two revolutions around the Earth, according to the scientists' study.

Interception can take up to three hours, they say. The Soviet war-

(Continued on Page 2, Col. 5)

U.S. Says KGB Uses Chemicals On Diplomats

By Don Oberdorfer

Washington Post Service

WASHINGTON — The Soviet KGB security police has been monitoring the movements of U.S. diplomats in Moscow with "potentially harmful tracking chemicals," the State Department charged Wednesday.

It said that powdery substances had been "applied indirectly" — on automobile steering wheels, seats and other places where U.S. diplomats would come in contact with them.

It said that the substances could present a health hazard.

The United States protested Monday to Soviet officials in Washington and Moscow "in the strongest terms." They demanded that the practice "be terminated immediately," the State Department said.

The chemical, according to the statement, could "leave deposits on the person or possessions" of Soviet citizens or others with whom the Americans came into contact.

Recent "biological screening tests" determined that the most extensively used of the tracking agents, a substance known as Nitro Phenyl Pentadecol, or NPPD, is a mutagen, the State Department statement said.

This was a potential health hazard, it continued, because mutagens can cause cancers in human beings.

"Mutagens can be, but are not always, carcinogens in human beings," the statement said.

A State Department official said that such tracking agents had been in "very sporadic, infrequent" use by the KGB since the 1970s but that U.S. officials had believed that their use was halted in 1982.

This spring and summer, however, a "more widespread" use of the substances was uncovered through routine U.S. tests in Moscow.

The discovery, together with new information about the possible health hazards, caused an alarm "in the last few weeks only," officials said.

U.S. Embassy personnel in Moscow, numbering about 200, were informed of the findings early Wednesday.

A medical team from the National Institutes of Health and the

Environmental Protection Agency was being sent to Moscow to investigate and interview Americans about the health aspects.

"Preliminary indications suggest that the levels of NPPD and other substances to which individuals may have been exposed is very low. There is no evidence to date that any embassy personnel have suffered ill effects due to exposure to tracking agents," the State Department said.

Officials gave very few details of how or where the powder was believed to have been applied to Americans or how the KGB could use it to trace their movements.

Guarded comments to reporters suggested that the KGB may have used chemical testing equipment on the persons, possessions or dwellings of Soviet citizens to determine if they had contact with U.S. diplomats being traced by the powder.

There was no explanation for why the Russians are believed to have stopped sporadic use of chemical tracking agents in 1982 and to have resumed them on a heavier basis this spring.

Earlier U.S. Charges

The allegation was the latest in a series of charges dating back at least to 1960, when a microphone was discovered in the back of a wooden eagle on the official seal in a U.S. Embassy office in Moscow, Reuters reported.

Four years later, about 40 eavesdropping microphones were uncovered at the embassy and U.S. officials said many more were probably undiscovered.

In 1978, U.S. security officials found an antenna near the embassy roof that was connected to an electronic snooping booth beneath the building manned by a Soviet agent, according to U.S. officials.

The United States also complained to the Kremlin in the 1970s that its embassy was being bombarded with microwaves in an effort to intercept U.S. communications.

Both the U.S. Embassy in Moscow and the Soviet Embassy in Washington are equipped with sophisticated electronic surveillance gear to gather information about the host countries, Western diplomats say.

Falwell Seeks to Block South African Sanctions

By Robert Pear

New York Times Service

WASHINGTON — The Reverend Jerry Falwell has begun a campaign to block imposition of economic sanctions against South Africa. The step occurred amid growing evidence that American conservatives were deeply divided over the issue.

Mr. Falwell, just back from a visit to South Africa, also denounced Desmond M. Tutu, the Anglican bishop who is South Africa's most prominent clergyman. "If Bishop Tutu maintains that he speaks for the black people of South Africa, he's a phony," he said.

The bishop, a leading critic of the Pretoria government's racial policies who won the 1984 Nobel Peace Prize, has offered theological as well as social arguments against apartheid.

Mr. Falwell, the head of the American evangelical Christian group known as the Moral Majority, gave his impressions of his trip to South Africa at a news conference Tuesday in Washington. He urged Americans to support the

Pretoria government by buying its one-ounce gold coins, called Kruggerands, and by investing in companies that do business there.

South Africans, Mr. Falwell said, do not want the United States to reduce investment in their country or to impose economic sanctions. This view, he said, was the consensus of those to whom he talked "in every segment of every community" in South Africa.

[On Wednesday, Mr. Falwell engaged in a heated debate with the Reverend Jesse L. Jackson on the subject of South Africa when the two appeared on a television program, The Associated Press reported from New York.]

[Mr. Jackson told Mr. Falwell, "You supported apartheid in southern America until it was over. Now you're supporting apartheid in southern Africa while it's still alive." He called the evangelist's views "an insult to Christians."

[Mr. Falwell responded by denying he supported "that policy of the Bothers government." He said that film shot during his five-day trip which will be broadcast Sunday (Continued on Page 3, Col. 3)]

INSIDE

Beirut's artillery battles continue, with 10 reported dead, plane hit at airport. Page 2.

Nicaraguan rebels adopt a "code of conduct" in an attempt to improve their human rights image. Page 3.

What colors do birds see? Research on animal vision provides some answers. Page 7.

Business/Finance

American Telephone & Telegraph Co. said it will eliminate 24,000 jobs in its Information Systems group. Page 9.

A swift rise in the use of drugs is 'the most serious peacetime threat to our national well-being,' an inquiry by Parliament warned.

leading his group on a 10-day tour of the drug dens of New York City's Lower East Side and the smuggling centers on Florida's east coast. "Because it is in the U.S.A. that the real battle is being waged."

The most serious concern in Britain centers on the spread of heroin, now the country's "drug of choice."

The government estimates that

Customs officials estimate that they find no more than 10 percent to 20 percent of the total.

There is disagreement over the reason for the drug use. Some blame unemployment, social ills and changing mores. Others say it is a result of an expanded smuggling network from Pakistan, Iran and South America, rerouted to Britain after U.S. crackdowns.

This month, Prime Minister Margaret Thatcher paid a visit, accompanied by television cameras, to customs inspectors at Heathrow Airport. Examining confiscated smuggling devices, she promised that traffickers would be "pursued relentlessly" and that "we shall make your life not worth living."

"The taxpayer will find the money," Mrs. Thatcher said. "We have to beat the drug smugglers. They can undermine a whole generation and corrupt everything."

At a news conference last week, unions representing customs officers asserted that Mrs. Thatcher had turned Britain into "open house for smugglers" — with a decrease of nearly 1,000 customs jobs as part of her economy drive.

Away from the political underground, a critical examination is under way among drug treatment professionals as to whether Britain's tolerant attitude toward narcotics helped create the difficulties.

Until quite recently, addiction was considered a problem to be dealt with by physicians rather than law officers. Under a program known by U.S. officials as "the British system," treatment for addicts has included the maintenance of registered heroin addicts with government-supplied drugs.

Although the program now is severely limited and is being phased out, officials visiting the United States in search of a solution to the

(Continued on Page 2, Col. 4)

New York Agog Over Record Lottery

Tickets Sell at 18,900 a Minute for \$41-Million Prize

Compiled by Our Staff From Dispatches

NEW YORK — They walked, they rode the subway and some even flew in. They stood in line for hours. Some took the day off from work, dreaming they might never have to work again.

There were so many customers for New York's Lotto 48 game on Tuesday that officials closed the state lottery offices early and raised the jackpot to \$41 million, the largest such prize ever offered in North America.

Lotto players bought tickets at the rate of 18,900 a minute Tuesday afternoon, and lottery officials decided to shut down at 9:30 P.M. — half an hour early — so that the computers could catch their breath.

A regional lottery director, James Nolan, said early Wednesday of the ticket rush, "It's already building again this morning."

People in New York City were standing in line, in spite of the rain, when lottery offices opened at 5:45 A.M.

The drawing is scheduled for 10:25 P.M. Wednesday.

In New York's Lotto 48 game, players purchase a card for \$1 that allows them to choose six numbers from 1 to 48.

To win or share in the top prize, all six numbers must match those in the weekly drawing. The odds against that are 1 in 6.1 million.

Since July 27 there have been seven drawings with no top-money winner, allowing the prize to reach its record level.

The previous North American record, \$40 million, was collected last year in Chicago by a single winner.

New York state's lottery director, John Quinn, said Tuesday that 20 million tickets had been purchased for the current drawing.

Mayor Edward I. Koch sent his press aide stand in line to buy him a ticket, but New York City residents were not the only ones infected.

Lottery officials in Buffalo said there were calls from Ohio, Pennsylvania and Tennessee.

"People want to know the closest lottery office or where they can buy a lottery ticket at the airport," said Howard Frankel, a regional lottery director.

There was a strong streak of altruism among the players interviewed Tuesday in New York City.

Wilfredo Garcia, a police officer, said he would give a large chunk of his money to the starving in Africa.

Eve Benani said she would found an orphanage.

Ernest DeNigris of East Quogue, New York, said that if he ascended to "the power of money," he would pay off the mortgage on his son's home. (NYT, UPI)

Slain Sikh Is Cremated; Gandhi Assails Terror

The Associated Press

LONGOWAL, India — The body of Harchand Singh Longowal, the murdered Sikh leader, was cremated Wednesday in his cradle, and Prime Minister Rajiv Gandhi vowed to fight terrorism "with all our strength."

Mr. Longowal was killed Tuesday by gunmen, later identified as Sikhs, while speaking at a religious gathering.

As leader of the Akali Dal, the main Sikh party, Mr. Longowal signed a peace accord July 24 with Mr. Gandhi aimed at ending a three-year conflict between the Sikh community and the Indian government over Punjab.

The body of Mr. Longowal, 57, was burned on a pyre after thousands of Sikhs, weeping and shouting slogans, marched 13 miles (20 kilometers) from Sangrur.

Wreathed in roses and marigolds, the body arrived in this dusty village of 9,000 people in a motorcade of 200 vehicles.

The cremation took place shortly after Mr. Gandhi vowed that India would not submit to terrorism.

"We will fight terrorism with all our strength," the prime minister said before Parliament adjourned to mourn Mr. Longowal's death.

Most shops, businesses, markets and schools throughout Punjab were shut Wednesday in a strike called by the Akali Dal to protest the murder.

The Indian Army has been placed on alert in Punjab and neighboring states, and security was tightened in New Delhi.

The shooting took place three days after Mr. Gandhi announced elections in Punjab, despite warnings by Mr. Longowal and others that the state was not ready for elections and that premature voting might spark violence.

Loss of a Moderate Figure

Earlier, Wolfgang Saxon of The New York Times reported from New York:

The killing of Mr. Longowal removed a moderating force at a time when it appeared, thanks in large part to his efforts, that a festering conflict was nearing a solution.

His death created a vacuum head of the Parliament study, after

Rise of Drug Addiction Jolts British, Who Thought It Was a U.S. Problem

By Karen DeYoung

Washington Post Service

LONDON — Three weeks ago a Liverpool boy of 14 died of an overdose of heroin. He had bought it from drug pushers only a five-minute walk from his home.

At an inquest, the coroner said the boy, Jason Fitzsimmons, was the youngest heroin victim he had come across in nearly two decades.

The coroner warned that Jason's death was part of a drug problem that could endanger "the whole future of the nation."

Barely 10 years ago, illegal sale and use of drugs in Britain was virtually unheard of outside a few London districts. Britain felt itself largely immune to the U.S. wave of drug smuggling and abuse.

Yet in five years, with a speed that has shocked parents and apparently taken the government unawares, Britain has found itself with a severe drug problem. A recent Parliament inquiry called it "the most serious peacetime threat to our national well-being."

In England and in much of Scotland, drug use has doubled, tripled and in some cases quadrupled since 1980. Even teen-age glue-sniffing, a fad in the U.S. in the 1970s, has become so widespread here that a new law went into effect last week banning sale of sniffable solvents to customers under the age of 18.

Marijuana use is on the upswing but it is considered a minor problem compared with a flood of cocaine — previously rare in Britain — that is expected to hit these shores in the next few years as overflow from the U.S. market.

British officials have begun close consultation with the U.S. Drug Enforcement Administration.

"We make no apology for reverting repeatedly to the American experience," said Edward Gardner, head of the Parliament study, after

leading his group on a 10-day tour of the drug dens of New York City's Lower East Side and the smuggling centers on Florida's east coast. "Because it is in the U.S.A. that the real battle is being waged."

The most serious concern in Britain centers on the spread of heroin, now the country's "drug of choice."

The government estimates that

Customs officials estimate that they find no more than 10 percent to 20 percent of the total.

There is disagreement over the reason for the drug use. Some blame unemployment, social ills and changing mores. Others say it is a result of an expanded smuggling network from Pakistan, Iran and South America, rerouted to Britain after U.S. crackdowns.

This month, Prime Minister Margaret Thatcher paid a visit, accompanied by television cameras, to customs inspectors at Heathrow Airport. Examining confiscated smuggling devices, she promised that traffickers would be "pursued relentlessly" and that "we shall make your life not worth living."

"The taxpayer will find the money," Mrs. Thatcher said. "We have to beat the drug smugglers. They can undermine a whole generation and corrupt everything."

At a news conference last week, unions representing customs officers asserted that Mrs. Thatcher had turned Britain into "open house for smugglers" — with a decrease of nearly 1,000 customs jobs as part of her economy drive.

Away from the political underground, a critical examination is under way among drug treatment professionals as to whether Britain's tolerant attitude toward narcotics helped create the difficulties.

Until quite recently, addiction was considered a problem to be dealt with by physicians rather than law officers. Under a program known by U.S. officials as "the British system," treatment for addicts has included the maintenance of registered heroin addicts with government-supplied drugs.

Although the program now is severely limited and is being phased out, officials visiting the United States in search of a solution to the

(Continued on Page 2, Col. 4)

Artillery War in Beirut Continues; Airport Is Closed After Jet Is Hit

BEIRUT — Hundreds of artillery rounds slammed into Beirut's airport and the nearby hills Wednesday as shelling continued for the third straight day despite political efforts to end the violence.

Six persons were killed in Christian areas and four in Moslem-controlled West Beirut, radio stations reported.

At Beirut International Airport, a Middle East Airlines Boeing 720 was hit minutes before passengers for Jordan were to board, radio stations said. Flights in and out of the airport were halted.

Shells also hit villages as far as 15 miles (25 kilometers) from Beirut. A high-ranking government source said it was unlikely that cabinet ministers would be able to attend a meeting Thursday if the shelling continued.

Prime Minister Rashid Karami had called the meeting, the first scheduled since April 10, in an attempt to revive Christian-Moslem

talks and break the latest cycle of violence in Lebanon.

Education Minister Selim al-Hosni, a Sunni Moslem former prime minister, and senior Moslem army officers telephoned Christian colleagues, to no avail, to arrange a cease-fire, official sources said.

At the Vatican, Pope John Paul II condemned the massacre of Lebanese civilians and prayed for an end to the killings and reprisals.

In one of his firmest statements to date on Lebanon, the pope said during his weekly audience in St. Peter's Square that such violence, "coldly calculated, aimed at massacring unarmed populations, whatever the source, must be condemned forcefully by anyone who respects human rights."

In the northern city of Tripoli, the toll from Tuesday's car bombing rose to 50 dead and 160 wounded after nine more persons died from wounds, security sources said.

Among the dead was Sheikh Zakariya al-Rashid, an official of the Sunni fundamentalist militia called Jihadullah, or Soldiers of God. The local head of Jihadullah, Sheikh Kanaan Naji, was wounded.

The explosion in Tripoli was the latest in a six-day wave of car bombings that has killed more than 110 persons and wounded 400.

After the bombing in Tripoli, the Shiite leader Nabih Berré said that only a military showdown with "Israel's internal agents," a reference to Christian militias, could end Lebanon's crisis.



Rashid Karami

The state-owned Beirut Radio said that an unidentified plane had tried to attack Shiite Amal militia positions Wednesday in Syrian-held territory near Tarshish, 18 miles east of Beirut, but was driven off by ground fire.

There was no independent confirmation of the report. A similar report on Tuesday was denied by the police.

The Swiss head of the International Red Cross mission in the southern city of Sidon was freed after being held by a gunman for about 36 hours.

Stéphane Jacquemet, 29, was delivered to Red Cross officials at the home of Daoud Daoud, Amal's senior official in the south, according to the agency's delegate in Tyre, Mario Fez.

Mr. Daoud identified Mr. Jacquemet's abductor as the brother of Nasseh Hashem, who was seized by the Israeli Army when it raided the Shiite village of Zrarieh on March 11.

Rise of Drug Addiction Jolts British, Who Thought It Was a U.S. Problem

(Continued from Page 1)

new drug epidemic say the stigma of the maintenance treatment method is difficult to shake.

"Everywhere we went, even in Congress, people were totally convinced that we fed addicts," said Robin Corbett.

So sensitive is the government to such beliefs that it has published a four-page explanatory pamphlet entitled "The Medical Use of Opioids in the United Kingdom."

"For many years," it begins, "there has been considerable interest in the U.K. approach to the treatment of drug addicts. Unfortunately this interest has all too often been based on misunderstanding."

It goes on: "The popular view of what has become known as 'the British system' is perhaps best conveyed by its alternative title, 'The British Heroin Maintenance Program,' under which, so it is believed, addicts are 'registered' and thereafter entitled, often indefinitely, to a regular supply of heroin on a doctor's prescription. The reality is very different."

For more than a decade — nearly 20 years in one case — Michael, Anne and Brian have begun each morning with a trip to their local pharmacies for a prescribed, daily fix of government-supplied heroin.

Back home, they inject it with government-supplied needles and prepare to face the day.

It has been seven or eight years since the last new patient was placed on an indefinite program of addiction maintenance with injectable heroin. As in many other Western countries, thousands of British addicts now participate in programs consisting of oral doses of liquid methadone in the hope of withdrawal and cure.

Michael, Anne and Brian are among the fewer than 200 holdovers from an earlier time when Britain considered the development of a black market in narcotics a greater danger than the government-assisted lifetime addiction of a few misguided individuals.

They have asked that their names be changed so relatives and friends will not learn of their addiction. According to a social worker, their cases are "pathetic."

Michael, 40, is tall and thin, a neat dresser. He became addicted "during the flower-power days of the 1960s," when, after dabbling in

softer drugs, a friend with a legal heroin prescription offered to share some.

Like Anne, who was turned on by a boyfriend, he says: "I don't remember the first time being so wonderful. I got sick I vomited."

Neither Michael or Anne, with rare exceptions, has ever bought or used illegal heroin. When they became addicted, any physician could write a heroin prescription.

Heroin maintenance had been accepted treatment here since 1926, when a government report recommended it for hard-core addicts deemed incapable of withdrawal.

The reasoning was that if procurement was easy, no illegal heroin market would develop.

With the social acceptability of drug abuse limited to what was considered a small London core, "to some extent the system worked right into the '60s," said David Turner, director of Britain's Standing Council on Drug Abuse.

"There wasn't a criminal element, there wasn't a black market."

At most, he said, there were 400 to 500 people under treatment.

By 1965, however, a slight rise in the number of new addicts was noted and a new government report acknowledged that some physicians were over-prescribing, with the excess being sold by patients.

Rather than a change in the treatment method, the solution was to regulate the number of physicians who could prescribe heroin.

In 1968, they were reduced from untold thousands to a few hundred, almost entirely in London.

Michael and Anne checked into

a clinic, were given psychiatric and physical examinations and issued "scrips," renewed at six-week intervals and sent to their pharmacist.

Neither they nor Brian has held a job for most of the last two decades. They live in public housing and receive welfare. Yet they say they are satisfied with their lives.

They live quietly, say they do not associate with other longtime addicts or what they call the "rub-bish" among the new addict generation.

They insist that they do not "get stoned" by using their day's ration at once or saving it for a binge.

They look upon it the way a diabetic regards insulin.

Anne, with badly scarred thin arms, says she would be in the street or "throwing bricks" through pharmacy windows to get the drug.

But while the maintenance system worked for people like them, the free dispensing of heroin had a longer-lasting effect that the clinic system could not eliminate.

"The U.K. drug problem, without exception, started from legally manufactured, legally prescribed drugs," said Mr. Turner, the British anti-drug official. "It is true to some degree that the elimination of illicit drugs led to illicit supply."

Shortly after the clinic system was established, treatment agencies were required to report addicts to authorities. As the rules tightened in the early 1970s, a small black market began to thrive, catering to those who had been introduced to legal heroin but then had their access restricted.

NEXT: The Anti-Drug Offensive.

WORLD BRIEFS

New Caledonia May Hold Vote in Fall

PARIS (Reuters) — Elections in New Caledonia could take place by the end of September despite a protracted parliamentary and constitutional battle over the distribution of seats, the minister for France's territory in the South Pacific said Wednesday.

Edgard Pisani said that the elections, set up under a controversial bill passed Tuesday by the National Assembly, could be held on either Sept. 29 or Oct. 6. The bill paves the way for independence of the territory in association with France and provides for elections for four regional councils and a referendum on independence by late 1987.

The poll date first was set for Sept. 8. But the original bill had to be revised after the Constitutional Council rejected its allocation of seats, and conservative members of parliament have said they also will try to have the amended version declared unconstitutional.

Peru Dismisses 37 Police Generals

LIMA (AP) — The government of President Alan García Pérez has dismissed 37 police commanders in the first step of a plan to reorganize Peru's police forces to rid them of corruption.

The president also has announced that he would completely revamp the judicial system. The dismissal of the police commanders, who hold rank of general in the military structure of Peru's police forces, went into effect when their names were published in the official newspaper, El Peruano. Twenty-one commanders were in the Civil Guard and 16 were Peruvianos. Twenty-one commanders were in the Civil Guard and 16 were Peruvianos.

Mr. García, who visited a military barracks Monday, said that any of the 75,000 members of three police forces could be relieved of duty for participating in a crime or the presumption of committing a crime and also for incompetence or inefficiency.

Sri Lankan Soldiers Killed by Mine

COLOMBO, Sri Lanka (Reuters) — Four soldiers were killed Wednesday when separatist Tamil guerrillas set off a land mine under their vehicle in the northeastern province of Sri Lanka, security officials said.

The officials said that the military vehicle was blown up by four guerrillas as it accompanied a government bus carrying about 50 Sinhalese refugees at Serunuwara.

The attack came after President Junius R. Jayawardene ordered an inquiry into assertions, denied by the government, that security forces killed more than 100 Tamils in Vavuniya district in the north last week. A spokesman for the Eelam National Liberation Front, an alliance of four separatist guerrilla groups, has said that more than 100 Tamils were killed and 200 were wounded in an army sweep through the town and nearby areas Friday.

Union Carbide Damage Suits Growing

NEW YORK (NYT) — Lawyers who have sued the Union Carbide Corp. over the gas leak in Bhopal, India, have filed new multimillion-dollar damage suits against the company, this time on behalf of victims of the Aug. 11 gas leak at the company's facility in Institute, West Virginia.

The suits, brought Tuesday in state court in West Virginia and in U.S. District Court in New York, will have a major effect on the Bhopal case, the lawyers said. They said that the new leak — which sent 135 persons to hospitals — disclosed defects in design, operation and emergency response similar to the Dec. 3, 1984, accident in India, in which 2,000 people died.

Tunisia Expels 30 Libyan Diplomats

TUNIS (AFP) — The Tunisian authorities ordered the expulsion Wednesday of 30 Libyan diplomats for carrying out activities "contrary to their diplomatic status and functions," the official TAP news agency reported.

The agency said the Foreign Ministry had summoned the Libyan ambassador, Abdallah Ahmed al-Harrari, to inform him that the 30 diplomats had been declared persona non grata. Tunisia announced Tuesday that it had expelled 253 Libyan nationals in recent days for spying.

The Tunisia government has ordered the closure of the Libyan cultural center here and reimposed visa requirements for Libyan nationals following the expulsion by Libya of more than 21,000 Tunisian immigrants this month.

Iran Denies Attack on Belgian Ship

BRUSSELS (Reuters) — Iran denied on Wednesday involvement in the missile attack on the Belgian-registered oil tanker Naess Leopard off the coast of Qatar on Sunday, and suggested that Iraq was responsible.

Reacting to a formal complaint by the Belgian government, Iran issued a statement categorically denying any role, and saying that "Iran opposes all violations of international law, such as the sinking of neutral ships."

"The government of Iraq," the statement added, "has announced with pride attacks on over 100 neutral ships with the purpose of extending the war imposed on Iran, of creating an area of insecurity and of increasing tensions in the area."

Correction

Because of an editing error, an article in Wednesday's Business section incorrectly said that France's current Socialist administration had nationalized most insurance companies; Renault; the aviation, nuclear, shipbuilding and coal-mining industries; Air France and the internal airlines; the railroads; and the telephone, post office and gas and electricity supply companies. These operations were nationalized long before the Socialists came to power in 1981.

Slain Sikh Is Cremated; Gandhi Assails Terrorism

(Continued from Page 1)

with no successor in sight and important elections coming up to consolidate the accord he reached with Mr. Gandhi.

Sikhism, founded in northern India about 500 years ago, claims about 15 million believers. About 13 million are in India, where they make up 2 percent of the population, but exert a far greater influence over the economy and politics than numbers alone might suggest.

Their conflict with the Hindu majority centers largely on the northern state of Punjab, the prairie homeland of the Sikhs.

Most of the unrest, killing and terrorism involving Sikh extremists in the last few years, as well as the more peaceful drive for Sikh rights, was focused on autonomy for Punjab, an important grain region.

Sikh separatism had begun to stir with the partition of 1947, when the Sikhs found themselves straddling the new border between Moslem Pakistan and Hindu India. The bulk of those in Pakistan moved to join their co-religionists on the Indian side.

Over the years, Sikhs as a whole lived up to their reputation as hard-working and successful people, who contributed more than their share to India's economy. The Punjab, by Third World standards, became a model of development.

But 1947 left the seeds for smoldering resentments. Sikhs felt cheated out of a homeland. There was a feeling that the Hindu-led government in New Delhi was treating Punjab and the Sikhs with less than fairness.

Among their grievances, the Sikhs accused New Delhi of manipulating wheat prices and of steering new industry away from Punjab toward poorer sections of the country. Sikhs were affronted when, in 1966, the government severed some Hindi-speaking portions of the Punjab, making them into a new state of Haryana and then made both of them share one capital, Chandigarh.

By 1982, the main Sikh party, the Akali Dal, broke into the open with a movement of civil disobedience. Its principal objectives were considerable autonomy for Punjab and recognition of Amritsar, the Sikhs' spiritual focus, as a holy city.

Mr. Longowal followed the non-violent course charted by Mohandas K. Gandhi before Indian independence, concentrating on strikes and marches. But his movement soon attracted radical elements.

Occasional killing of police officers and others culminated in the major bloodshed of 1983-1984. The militants, thought to number fewer than 1,000, went on a rampage against police officers, politicians and even moderate Sikhs.

The word Sikh means disciple in Hindi. It refers to the followers of the first Sikh mystic, the Guru Nanak, and nine succeeding gurus, or teachers, who preached the Sikh Dharma, or path. It was Nanak who tried to bridge the gap between Islam and Hinduism by teaching a monotheistic creed, with the emphasis on religious exercises and meditation.

Balram Jharkhar, speaker of the lower house of Parliament, said the use of Gandhi's name for the Playboy Magazine advertisement was "downright despicable" and directed the government to send a strong protest to the United States.

Playboy Ad With Gandhi Angers India Parliament

NEW DELHI — Angry lawmakers, shouting "vulgar" and "despicable," on Tuesday condemned a video beer commercial produced by a U.S. men's magazine that showed Mohandas K. Gandhi, the ascetic father of India's independence movement, breaking a fast by drinking beer and hugging half-naked girls.

Balram Jharkhar, speaker of the lower house of Parliament, said the use of Gandhi's name for the Playboy Magazine advertisement was "downright despicable" and directed the government to send a strong protest to the United States.

Over the years, Sikhs as a whole lived up to their reputation as hard-working and successful people, who contributed more than their share to India's economy. The Punjab, by Third World standards, became a model of development.

But 1947 left the seeds for smoldering resentments. Sikhs felt cheated out of a homeland. There was a feeling that the Hindu-led government in New Delhi was treating Punjab and the Sikhs with less than fairness.

Among their grievances, the Sikhs accused New Delhi of manipulating wheat prices and of steering new industry away from Punjab toward poorer sections of the country. Sikhs were affronted when, in 1966, the government severed some Hindi-speaking portions of the Punjab, making them into a new state of Haryana and then made both of them share one capital, Chandigarh.

By 1982, the main Sikh party, the Akali Dal, broke into the open with a movement of civil disobedience. Its principal objectives were considerable autonomy for Punjab and recognition of Amritsar, the Sikhs' spiritual focus, as a holy city.

Mr. Longowal followed the non-violent course charted by Mohandas K. Gandhi before Indian independence, concentrating on strikes and marches. But his movement soon attracted radical elements.

Occasional killing of police officers and others culminated in the major bloodshed of 1983-1984. The militants, thought to number fewer than 1,000, went on a rampage against police officers, politicians and even moderate Sikhs.

The word Sikh means disciple in Hindi. It refers to the followers of the first Sikh mystic, the Guru Nanak, and nine succeeding gurus, or teachers, who preached the Sikh Dharma, or path. It was Nanak who tried to bridge the gap between Islam and Hinduism by teaching a monotheistic creed, with the emphasis on religious exercises and meditation.

Balram Jharkhar, speaker of the lower house of Parliament, said the use of Gandhi's name for the Playboy Magazine advertisement was "downright despicable" and directed the government to send a strong protest to the United States.

Over the years, Sikhs as a whole lived up to their reputation as hard-working and successful people, who contributed more than their share to India's economy. The Punjab, by Third World standards, became a model of development.

But 1947 left the seeds for smoldering resentments. Sikhs felt cheated out of a homeland. There was a feeling that the Hindu-led government in New Delhi was treating Punjab and the Sikhs with less than fairness.

Among their grievances, the Sikhs accused New Delhi of manipulating wheat prices and of steering new industry away from Punjab toward poorer sections of the country. Sikhs were affronted when, in 1966, the government severed some Hindi-speaking portions of the Punjab, making them into a new state of Haryana and then made both of them share one capital, Chandigarh.

By 1982, the main Sikh party, the Akali Dal, broke into the open with a movement of civil disobedience. Its principal objectives were considerable autonomy for Punjab and recognition of Amritsar, the Sikhs' spiritual focus, as a holy city.

Mr. Longowal followed the non-violent course charted by Mohandas K. Gandhi before Indian independence, concentrating on strikes and marches. But his movement soon attracted radical elements.

Occasional killing of police officers and others culminated in the major bloodshed of 1983-1984. The militants, thought to number fewer than 1,000, went on a rampage against police officers, politicians and even moderate Sikhs.

The word Sikh means disciple in Hindi. It refers to the followers of the first Sikh mystic, the Guru Nanak, and nine succeeding gurus, or teachers, who preached the Sikh Dharma, or path. It was Nanak who tried to bridge the gap between Islam and Hinduism by teaching a monotheistic creed, with the emphasis on religious exercises and meditation.

Balram Jharkhar, speaker of the lower house of Parliament, said the use of Gandhi's name for the Playboy Magazine advertisement was "downright despicable" and directed the government to send a strong protest to the United States.

Over the years, Sikhs as a whole lived up to their reputation as hard-working and successful people, who contributed more than their share to India's economy. The Punjab, by Third World standards, became a model of development.

But 1947 left the seeds for smoldering resentments. Sikhs felt cheated out of a homeland. There was a feeling that the Hindu-led government in New Delhi was treating Punjab and the Sikhs with less than fairness.

Among their grievances, the Sikhs accused New Delhi of manipulating wheat prices and of steering new industry away from Punjab toward poorer sections of the country. Sikhs were affronted when, in 1966, the government severed some Hindi-speaking portions of the Punjab, making them into a new state of Haryana and then made both of them share one capital, Chandigarh.

By 1982, the main Sikh party, the Akali Dal, broke into the open with a movement of civil disobedience. Its principal objectives were considerable autonomy for Punjab and recognition of Amritsar, the Sikhs' spiritual focus, as a holy city.

Mr. Longowal followed the non-violent course charted by Mohandas K. Gandhi before Indian independence, concentrating on strikes and marches. But his movement soon attracted radical elements.

Occasional killing of police officers and others culminated in the major bloodshed of 1983-1984. The militants, thought to number fewer than 1,000, went on a rampage against police officers, politicians and even moderate Sikhs.

The word Sikh means disciple in Hindi. It refers to the followers of the first Sikh mystic, the Guru Nanak, and nine succeeding gurus, or teachers, who preached the Sikh Dharma, or path. It was Nanak who tried to bridge the gap between Islam and Hinduism by teaching a monotheistic creed, with the emphasis on religious exercises and meditation.

Balram Jharkhar, speaker of the lower house of Parliament, said the use of Gandhi's name for the Playboy Magazine advertisement was "downright despicable" and directed the government to send a strong protest to the United States.

Over the years, Sikhs as a whole lived up to their reputation as hard-working and successful people, who contributed more than their share to India's economy. The Punjab, by Third World standards, became a model of development.

But 1947 left the seeds for smoldering resentments. Sikhs felt cheated out of a homeland. There was a feeling that the Hindu-led government in New Delhi was treating Punjab and the Sikhs with less than fairness.

Among their grievances, the Sikhs accused New Delhi of manipulating wheat prices and of steering new industry away from Punjab toward poorer sections of the country. Sikhs were affronted when, in 1966, the government severed some Hindi-speaking portions of the Punjab, making them into a new state of Haryana and then made both of them share one capital, Chandigarh.

By 1982, the main Sikh party, the Akali Dal, broke into the open with a movement of civil disobedience. Its principal objectives were considerable autonomy for Punjab and recognition of Amritsar, the Sikhs' spiritual focus, as a holy city.

Mr. Longowal followed the non-violent course charted by Mohandas K. Gandhi before Indian independence, concentrating on strikes and marches. But his movement soon attracted radical elements.

Occasional killing of police officers and others culminated in the major bloodshed of 1983-1984. The militants, thought to number fewer than 1,000, went on a rampage against police officers, politicians and even moderate Sikhs.

The word Sikh means disciple in Hindi. It refers to the followers of the first Sikh mystic, the Guru Nanak, and nine succeeding gurus, or teachers, who preached the Sikh Dharma, or path. It was Nanak who tried to bridge the gap between Islam and Hinduism by teaching a monotheistic creed, with the emphasis on religious exercises and meditation.

Balram Jharkhar, speaker of the lower house of Parliament, said the use of Gandhi's name for the Playboy Magazine advertisement was "downright despicable" and directed the government to send a strong protest to the United States.

Over the years, Sikhs as a whole lived up to their reputation as hard-working and successful people, who contributed more than their share to India's economy. The Punjab, by Third World standards, became a model of development.

But 1947 left the seeds for smoldering resentments. Sikhs felt cheated out of a homeland. There was a feeling that the Hindu-led government in New Delhi was treating Punjab and the Sikhs with less than fairness.

Among their grievances, the Sikhs accused New Delhi of manipulating wheat prices and of steering new industry away from Punjab toward poorer sections of the country. Sikhs were affronted when, in 1966, the government severed some Hindi-speaking portions of the Punjab, making them into a new state of Haryana and then made both of them share one capital, Chandigarh.

By 1982, the main Sikh party, the Akali Dal, broke into the open with a movement of civil disobedience. Its principal objectives were considerable autonomy for Punjab and recognition of Amritsar, the Sikhs' spiritual focus, as a holy city.

Mr. Longowal followed the non-violent course charted by Mohandas K. Gandhi before Indian independence, concentrating on strikes and marches. But his movement soon attracted radical elements.

Occasional killing of police officers and others culminated in the major bloodshed of 1983-1984. The militants, thought to number fewer than 1,000, went on a rampage against police officers, politicians and even moderate Sikhs.

The word Sikh means disciple in Hindi. It refers to the followers of the first Sikh mystic, the Guru Nanak, and nine succeeding gurus, or teachers, who preached the Sikh Dharma, or path. It was Nanak who tried to bridge the gap between Islam and Hinduism by teaching a monotheistic creed, with the emphasis on religious exercises and meditation.

Balram Jharkhar, speaker of the lower house of Parliament, said the use of Gandhi's name for the Playboy Magazine advertisement was "downright despicable" and directed the government to send a strong protest to the United States.

Over the years, Sikhs as a whole lived up to their reputation as hard-working and successful people, who contributed more than their share to India's economy. The Punjab, by Third World standards, became a model of development.

But 1947 left the seeds for smoldering resentments. Sikhs felt cheated out of a homeland. There was a feeling that the Hindu-led government in New Delhi was treating Punjab and the Sikhs with less than fairness.

Among their grievances, the Sikhs accused New Delhi of manipulating wheat prices and of steering new industry away from Punjab toward poorer sections of the country. Sikhs were affronted when, in 1966, the government severed some Hindi-speaking portions of the Punjab, making them into a new state of Haryana and then made both of them share one capital, Chandigarh.

By 1982, the main Sikh party, the Akali Dal, broke into the open with a movement of civil disobedience. Its principal objectives were considerable autonomy for Punjab and recognition of Amritsar, the Sikhs' spiritual focus, as a holy city.

Mr. Longowal followed the non-violent course charted by Mohandas K. Gandhi before Indian independence, concentrating on strikes and marches. But his movement soon attracted radical elements.

Occasional killing of police officers and others culminated in the major bloodshed of 1983-1984. The militants, thought to number fewer than 1,000, went on a rampage against police officers, politicians and even moderate Sikhs.

The word Sikh means disciple in Hindi. It refers to the followers of the first Sikh mystic, the Guru Nanak, and nine succeeding gurus, or teachers, who preached the Sikh Dharma, or path. It was Nanak who tried to bridge the gap between Islam and Hinduism by teaching a monotheistic creed, with the emphasis on religious exercises and meditation.

Balram Jharkhar, speaker of the lower house of Parliament, said the use of Gandhi's name for the Playboy Magazine advertisement was "downright despicable" and directed the government to send a strong protest to the United States.

Over the years, Sikhs as a whole lived up to their reputation as hard-working and successful people, who contributed more than their share to India's economy. The Punjab, by Third World standards, became a model of development.

But 1947 left the seeds for smoldering resentments. Sikhs felt cheated out of a homeland. There was a feeling that the Hindu-led government in New Delhi was treating Punjab and the Sikhs with less than fairness.

Among their grievances, the Sikhs accused New Delhi of manipulating wheat prices and of steering new industry away from Punjab toward poorer sections of the country. Sikhs were affronted when, in 1966, the government severed some Hindi-speaking portions of the Punjab, making them into a new state of Haryana and then made both of them share one capital, Chandigarh.

By 1982, the main Sikh party, the Akali Dal, broke into the open with a movement of civil disobedience. Its principal objectives were considerable autonomy for Punjab and recognition of Amritsar, the Sikhs' spiritual focus, as a holy city.

Mr. Longowal followed the non-violent course charted by Mohandas K. Gandhi before Indian independence, concentrating on strikes and marches. But his movement soon attracted radical elements.

Occasional killing of police officers and others culminated in the major bloodshed of 1983-1984. The militants, thought to number fewer than 1,000, went on a rampage against police officers, politicians and even moderate Sikhs.

U.S. Midwest In Economic Recovery, Leaders Say

By James Barron
New York Times Service

MACKINAC ISLAND, Mich. — The governors of seven Middle Western states have spent three days giving an upbeat answer to the question of whether the region is pulling out of its decline.

The theme of the three-day gathering, which ended Tuesday, was "The Midwest on the Move." But the governors made it clear that the theme did not mean that the region's residents and wealth were moving to the South or the West.

What is happening, the governors said, is that innovative technologies are being developed here. Of the 10 states with the most patents, six are in the Middle West, and the region has four of the nation's top 10 universities ranked in order of money spent on research and development.

Governor James J. Blanchard of Michigan said that fewer residents of the Middle West were migrating to places that promised more jobs and lower taxes.

To officials who have staked their political careers and their states' futures on bringing in companies and jobs, that was welcome news. And they are apparently not alone in seeing an upturn. Louis Harris said that his polling organization had found that only the South was more optimistic than the Middle West.

"This is a recent trend, believe me," he said. "For most of the past four years, the Midwest has led the nation in gloom and despair. Something obvious is taking place."

But by some measures, the region has a long way to go in its quest for economic well-being. Unemployment was down from 8.2 percent in June 1984 to 7.9 percent this June, according to the Federal Bureau of Labor Statistics. Yet the rate of joblessness in five states in the region — Illinois, North Dakota, South Dakota, Iowa and Nebraska — rose at least six-tenths of a percent in that period.

The gathering was sponsored by the Midwestern Governors Conference, which, some officials said had come close to disbanding last year amid a rift between states with



James J. Blanchard

economies tied to manufacturing and those tied to agriculture.

Some of the manufacturing states also belong to the smaller Great Lakes Governors Conference, which earlier this year signed a charter with two Canadian provinces to prevent water from being piped to states in the South and the West that need it to continue their growth. Mr. Blanchard said the Great Lakes group met more often than the Midwestern Conference, which, he said, had a reputation of being a "more social" group.

But the dispute was patched up, and this conference opened with Mr. Blanchard borrowing a line from Mark Twain by saying that reports of the region's demise had been greatly exaggerated.

Attending with him were Governors Robert D. Orr of Indiana, the chairman of the conference, John Ashcroft of Missouri, Terry E. Branstad of Iowa, John W. Carlin of Kansas, Richard F. Coles of Ohio and Richard Kerrey of Nebraska, and Lieutenant Governors James T. Flynn of Wisconsin and Marlene Johnson of Minnesota.

Governors James R. Thompson of Illinois, George Sinner of North Dakota and Martha Layne Collins of Kentucky did not attend or send representatives.

Mr. Orr said that three years ago, the last time the group convened on Mackinac Island, a resort island between Lake Huron and Lake Michigan, "things were not so good in the Midwest." But he noted a turnaround, and added: "Each of us is seeing investments by manufacturers. Employment is at an all-time high and we're benefiting in all ways except agriculture."

Fahwell Urges Opposition To Apartheid Sanctions

(Continued from Page 1)
shows blacks "who weep and say, 'Please, don't sanction. Don't cut us off, our children die.'"
Representative Robert S. Walker, a Republican of Pennsylvania, said American conservatives were divided on the advisability of such sanctions.

Younger Republican conservatives like Mr. Walker and Representative Vin Weber of Minnesota and Newt Gingrich of Georgia have supported sanctions as a way to prod the Pretoria government into the type of change they have said is needed to prevent anti-American, pro-Soviet forces from taking power there.

"There is a split in the conservative community," Mr. Walker said Tuesday. "You have a long-standing position among American conservatives in support of South Africa, nearly a carte blanche attitude that says, 'Whatever they do is acceptable because it is a nation that is friendly to the West and has great strategic value to us.'"

"However," he said, "there is now a substantial, growing number of conservatives who say, 'Yes, South Africa is important to us strategically, but the danger of losing her strategically is greater if we support a government that is intransigent to change, which is almost inevitable in that society.'"

Richard A. Viguerie, a fund-raiser for conservative causes, said he agreed with Mr. Fahwell on South Africa. Mr. Viguerie said he was "moving heaven and earth to get the Senate shored up to sustain a presidential veto" of the sanctions legislation that is now in Congress.

Both houses have approved sanctions. The House of Representatives

has approved the compromise version that came out of a conference committee, and the Senate is scheduled to vote soon after it reconvenes Sept. 9.

"None of us conservatives support apartheid," Mr. Viguerie said. "The question is not whether they will have a white ruler or a black ruler in South Africa. They'll have white rule for the foreseeable future."

"The question is whether that white ruler will be South African or Soviet. The alternative to the current government is a Communist regime. If South Africa falls, freedom is not likely to prevail in the rest of the world for much longer."

Herbert B. Berkowitz, a spokesman for the Heritage Foundation, a conservative research and policy institute, said Mr. Fahwell "represents mainstream conservative sentiment" on South Africa.

New Jersey Legislation
Earlier, Joseph F. Sullivan of The New York Times reported from Trenton, New Jersey:

Governor Thomas H. Kean of New Jersey said Tuesday that he would sign legislation to withdraw \$2 billion in state investments from companies doing business in South Africa, as a protest against the Pretoria government's policies of racial separation.

Governor Kean said he had decided to sign the bill despite opposition from the Reagan administration and estimates by state investment officials that the divestiture could cost the state's pension system more than \$100 million in loss of interest and transaction costs. It would take place over the next three years.

"We can no longer stand by and



Reverend Jerry Fahwell

watch while a system predicated on racism attempts to subjugate an entire people," he said. "The time has come for action to change — and to end, once and for all — the oppressive system of apartheid."

The governor said the "moral imperative" that prompted him to act should move other governors to consider seriously similar actions.

Several states have enacted some divestiture legislation. But state officials said New Jersey's would be 20 times as large as that of Massachusetts, which has the largest so far and whose law took effect in January 1983.

The National Conference of State Legislatures in Denver said some form of divestment or divestiture legislation has been enacted in Connecticut, Iowa, Maryland, Michigan, Nebraska, Rhode Island and Wisconsin. In addition, laws are being or have been considered in 29 other states.

New Jersey's pension system, with investments of more than \$10 billion, covers 360,000 workers and retirees.

Nicaraguan Rebel Group Drafts Code In Effort to Improve Image on Rights

By Anne-Marie O'Connor
Reuters

TEGUCIGALPA, Honduras — The rebel Nicaraguan Democratic Force says it has established a code of conduct for its 15,000-strong army, which has been accused of human rights abuses in its war against the leftist Sandinista government in Managua.

The 70-article code, a draft of which was made available Tuesday, provides for sentences of up to 16 years for rape, murder and robbery and establishes norms for treatment of prisoners and civilians.

Carlos Icaza, an exiled Nicaraguan lawyer who a month ago was named attorney general for the U.S.-backed rebel group, said the code would be presented to the group's leaders for final approval.

The code, which calls for adherence to the Geneva Convention, was viewed by diplomats here as an attempt to improve the image of the Nicaraguan Democratic Force, known by its Spanish acronym FDN.

International human rights groups have criticized the FDN, the largest of the groups fighting the Sandinista government, for widespread human rights abuses against Nicaraguan civilians and prisoners of war.

The rebels' human rights record also has influenced some U.S. congressmen to vote against aid for them.

Mr. Icaza said he was unaware of any systematic human rights violations but acknowledged that fighters could have committed abuses "in the heat of war."

Referring to the code, he said: "We are establishing this in part to make sure troops will know how to

treat the civilian population when we throw out the Sandinistas."

The code's harshest sentence is for homicide under conditions violating the Geneva Convention, which will be punishable by 16 years of rehabilitation work and a dishonorable discharge from the guerrilla group.

Mr. Icaza said he had opened proceedings against 30 rebels and that another had been convicted of homicide under an earlier code.

Nicaraguan Reports on Panel

According to U.S. government documents, a senior member of Nicaragua's human rights commission who secretly defected to the United States four months ago says the Sandinistas tried to turn the panel into a propaganda agency. The Associated Press reported from Washington.

Matco Guerrero, former executive director of Nicaragua's National Commission for the Promotion and Protection of Human Rights, told U.S. interrogators after his defection that the Sandinistas had prevented the agency from investigating most abuses.

The panel was established five years ago as an autonomous agency.

Reached by telephone Tuesday, Mr. Guerrero refused to discuss his case publicly. But a four-page U.S. government summary of his disclosures to U.S. interrogators said:

"The commission, established in 1980 to investigate rights abuses, has increasingly come under the control of the Nicaraguan Foreign Ministry, which has attempted to use the office to enhance Nicaragua's international image."

Since late 1983, the ministry's

secretary-general, Alejandro Bendana, has monitored the commission's activities. Early this year, he told the commission leadership not to investigate allegations of abuses concerning the forced relocation of communities in northern Nicaragua.

Mr. Bendana told two commission officials in January that the panel would help the Nicaraguan government establish ties with foreign human rights groups to draw international attention to abuses committed by anti-government rebels. "The commission leaders were told to stop investigating any abuse committed by the government of Nicaragua and to concentrate their efforts on the anti-Sandinistas," the summary said.

Since 1982, commission members have not been permitted to investigate abuses in Nicaragua's prison system, the summary said.

The Nicaraguan Embassy declined comment on Mr. Guerrero's allegations. In April, the Lawyers Committee for International Human Rights, a private U.S. group, offered a generally favorable account of the agency's activities, especially on prison reform, in a report on Nicaragua's justice system.

50 Chileans Held in Protest

Reuters

SANTIAGO, Chile — Chilean police arrested about 50 protesters Tuesday after breaking up an anti-government demonstration with tear gas and water cannon, police said. Trade unions canceled a demonstration planned Tuesday after the military government declared it illegal.

Henri Flammarion, 75, French Publisher, Dies

Agence France-Press
PARIS — Henri Flammarion, 75, a leading French publisher, has died after a lengthy illness.

Mr. Flammarion was 23 when he joined the company founded by his grandfather, Ernest, in 1876. He ran the business with his father from 1933 and then took over the direction himself in 1945 and built the firm up to publish 1,000 titles annually, with a yearly turnover of 700 million francs (about \$83 million). The firm became the fifth largest publishing house in France.

He is succeeded by his eldest son, Charles-Henri, 39.

Alfred Hayes, 74, Author Of Labor Hymn, 'Joe Hill'

LOS ANGELES (UPI) — Alfred Hayes, 74, a screenwriter and novelist whose poem "Joe Hill" was set to music and became a rallying song for labor in the 1940s, died here Aug. 14 of meningitis.

He wrote the script for "Teresa," which drew an Academy Award nomination in 1951. Among his other movies were "Island in the Sun," "A Hatful of Rain," and "The Left Hand of God."

The poem "Joe Hill," about the execution in 1915 of an organizer for the International Workers of the World, was put to music by Earl Robinson, recorded by a succession of folk singers and sung on

picket lines and at union meetings across the country.

Other deaths:

Frank Raymond Kelly, 76, a journalist who began his career on the copy desk of the New York Herald in Paris in 1933, Monday in New Rochelle, New York. Mr. Kelly retired in 1976 from NBC News where he had been correspondent, writer and producer since 1962.

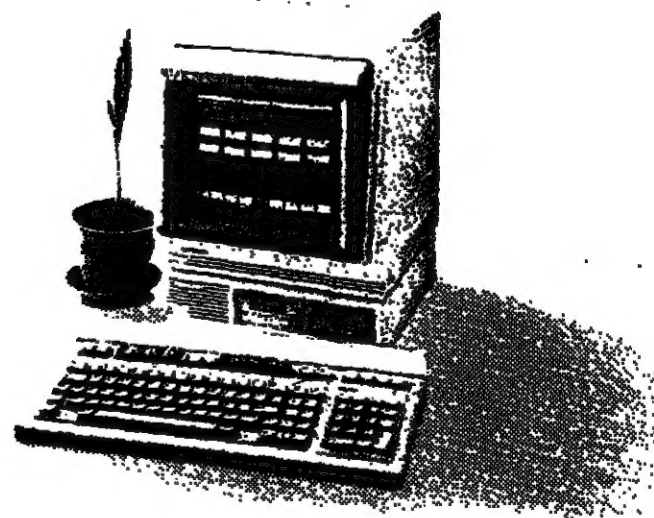
Sheikh Suhaim bin Hamad al-Thani, 52, foreign minister of Qatar, of a heart attack Wednesday. He was a brother of Qatar's ruler, Sheikh Khalifa bin Hamad al-Thani.

Nicholas Eden, 54, the Earl of Avon and a former undersecretary in the Department of Environment in the present British cabinet, Saturday after a long illness. He was the son of Anthony Eden, a former prime minister.

George Weiss, 90, a former chairman of Bache & Co., the investment brokerage house now known as Prudential-Bache Securities Inc., of heart failure last Thursday in New York.

Edward B. Rust, 66, president and chief executive officer of State Farm Mutual Automobile Insurance Co. and president of the U.S. Chamber of Commerce in 1973-74, Sunday in Bloomington, Illinois.

This is the start of something very big.



You've got a big future ahead of you with Hewlett-Packard's new HP 150 II personal computer. Because the HP 150 II makes it easy to be more productive in your office. In many ways.

- It's your own powerful yet simple-to-use personal computer. With built-in Personal Applications Manager so you don't need to remember system commands. Ergonomic design for the office, with a new, easy-viewing 12-inch screen. And a wide choice of user interfaces, such as optional touchscreen and mouse. Plus hundreds of the most popular business software packages.

- It's your link to Hewlett-Packard's peripherals. The standard-setters for the industry. Such as the advanced Thinkjet and Laserjet printers and professional-quality plotters.

- The HP 150 II is your own highly flexible terminal, too. At the

touch of a key, it links you to the power of minicomputers and mainframes. So you have access to your department's data bases and financial reports.

- Your HP 150 II can be your link to Hewlett-Packard's Personal Productivity Center, the advanced office automation system. So you can communicate instantly with other users. Exchange information. And tap a wide range of computing resources.

The HP 150 II. With it comes the forward thinking you expect from Hewlett-Packard.

See it at your nearest Hewlett-Packard dealer today. Or write to: Michael Zandwyken, Hewlett-Packard B.V., Dept. R0301, P.O. Box 529, NL-1180 AM Amstelveen.

And then there'll be no stopping you.



HEWLETT
PACKARD

The Hewlett-Packard 150 II Personal Computer.

CONCORD CENTURION



Concord Centurion. 18 kt. gold, quartz, water-resistant. An art carried to perfection in Swiss watches.

CHAUMET

PARIS 12 place Vendôme • LONDON 179 New Bond Street •
BRUSSELS 82 avenue Louise • GENEVA 2 rue du Rhône •
NEW YORK 48 East 57th Street

Own land in the great American West

A small, scenic, and romantic piece of land in the great American West. The land is located in the Colorado Rockies, just east of US Route 160. The land is about 200 miles southwest of Denver. The land is a historic Fort Garland, the last command of Kit Carson. The land is a piece of the unspoiled, romantic old Southwest. The land is a piece of the unspoiled, romantic old Southwest. The land is a piece of the unspoiled, romantic old Southwest.

What more perfect way to stake your claim than by purchasing five glorious acres in the Colorado Rockies for yourself and those you love. At Sangre de Cristo Ranches you can still own a sizeable piece of America at a very modest cost and on easy credit terms. This is scenic land in one of the fastest-growing states in the USA, a piece of the unspoiled, romantic old Southwest.

Sangre de Cristo Ranches is a subsidiary of Forbes Inc., publishers of the highly respected American business and financial publication, *FORBES MAGAZINE*. The land being offered for sale to you is a part of the huge 258,000-acre Forbes Trinchera Ranch, one of the oldest of the remaining big ranches in America. A sportsman's paradise in all seasons for hunting, fishing, riding, hiking and boating. With fine skiing less than 50 miles away, the ranch ranks among the world's best-known preserves for deer, elk, game birds and other wildlife.

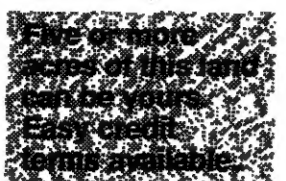
You can own majestic mountain views of Trinchera Peak and Mount Blanca (higher than Pikes Peak) which stand as silent sentinels protecting the rolling foothills and

valley that make up our Sangre de Cristo Ranches.

The land lies about 200 miles southwest of Denver, just east of US Route 160... the Navajo Trail. Its town is historic Fort Garland, the last command of Kit Carson.

For as little as \$4,500 total cash price you can purchase your own 5-acre Sangre de Cristo Ranch, with payments as low as \$45 monthly.

Important money-back and exchange privileges backed by *FORBES MAGAZINE*'s distinguished reputation have contributed much to the great success of this unusual land offering.



For complete details on this wonderful opportunity, without obligation, please fill in and mail coupon today.

FORBES EUROPE
SANGRE DE CRISTO RANCHES INC.
P.O. BOX 86
LONDON SW11 3UT
ENGLAND

Name _____
Address _____
Telephone _____

Obtain the Property Report required by Federal law and read it before signing anything. No Federal agency has judged the merits or value, if any, of this property. Equal Credit and Housing Opportunity

Whites Urged to 'Reclaim' South Africa

By Alan Cowell
New York Times Service

PRETORIA — The tones are somber and seem reasoned and the message is this: The revolution is coming, and the blacks will try to take all, and the whites will fight back for the land that is theirs. And the whites will win.

Over coffee, the words of Eugene Terre Blanche, the leader of South Africa's most extreme rightist white organization, somehow do not seem particularly perplexing in this land of divided people and raw racial passions cloaked in complex rationales. Elsewhere, they might chill.

South Africa, Mr. Terre Blanche said in an interview Tuesday, was at "the beginning of the bloodiest revolution between black and white."

"If the blacks start a revolution, if our government capitulates and hands over our land, if the blacks start a revolution to destroy our property, rape our women, even our children," he said, "there will be a white force under the leadership of the Afrikaner Resistance Movement that will fight back in a kind of counterrevolution. And we will take back our lands which are rightfully ours. We will implement a white people's state."

In the uncharted reaches to the political right of President Pieter W. Botha, Mr. Terre Blanche suggests there are passions to be stirred by such talk. He speaks to a segment of Afrikanerdom still far from the centers of power, but his words touch atavistic fears of slave rebellion.

A speech by Mr. Botha in Durban last Thursday, in which he restated a commitment to undefined racial reforms, has given Mr. Terre Blanche's cause ammunition. The same speech has been depicted by others, across the racial divide, as the final rebuttal to black aspirations.

Mr. Terre Blanche is head of the Afrikaner Resistance Movement, a movement whose emblem resembles a swastika. He says the color of the emblem and his ideas to those of the Nazis are inaccurate.

His movement does not represent the mainstream of rightist Afrikaner dissent, a position held by the Conservative Party of Andries P. Treurnicht, which controls only 18 of the 178 seats in South Africa's Parliament.

But the existence of the Afrikaner Resistance Movement has proved troubling in recent years to mainstream Afrikaner politicians, who have sought to disown it. The movement is thought to have about 5,000 adherents.

Despite their disapproval, Mr.



Eugene Terre Blanche, head of a rightist Afrikaner group.

Terre Blanche, 41, a cattle farmer and former policeman, persists in holding public meetings in the conservative heartlands of the nation. He cites the history of the 2.8 million Afrikaners, who are descendants of South Africa's Dutch settlers, as justification for a renewal of Afrikaner resistance.

The language is apocalyptic and revives memories of the Great Trek from the Cape rejected what they saw as the integrationist dictates of British masters and pushed north, fighting Zulus and Matabeles and the British themselves to establish and defend republics in the Orange Free State and the Transvaal.

Mr. Terre Blanche's movement has also troubled some because of its references to "international Zionism" and "international Judaism" as the powers that he says have taken control of South Africa's mineral wealth and other resources.

In the early part of this century such references were common in the political speeches of Afrikaners seeking power, but have since largely faded.

"I am not an extremist," Mr.

gians of apartheid, an Afrikaner word meaning separation. "To become free again," he told the Conservative Party's annual congress in Pretoria on Tuesday, "we will have to make big, big changes in the changes the National Party has made towards multiracialism." The National Party, led by Mr. Botha, has ruled in South Africa since 1948. Dr. Treurnicht leads those who broke from it in opposition to Mr. Botha's limited reform program in 1982.

That was a traumatic moment for a white unit that long saw unity as a weapon in its struggle to survive in a continent that offered, in its view, nothing but hostility.

The arguments sometimes seem a little more than variations on a theme of racial distinction and pre-conceptions. At the Conservative Party congress, one delegate was quoted Tuesday as saying blacks were "childlike people" whose lives revolved around sex and who could not think ahead for themselves, so the white man should do their thinking for them.

But the perceived challenge to Mr. Botha from the right is one that haunts his cabinet. It is said, by Western diplomats, to have been a factor in his decision last week to withhold a clear-cut announcement of political reforms that might stem the violence of black townships, where more than 620 people have died since last September.

Mr. Terre Blanche's conversation seems to suggest that, when he speaks of re-establishing Afrikaner dominance in the manner of the Afrikaner farmer's republics of the Orange Free State and the Transvaal, there are people of like mind waiting to take up arms to fight black domination.

"I do not think," he said Tuesday, "that our people realize what dire straits we are in. But the Afrikaner is accustomed to fight."

In speaking of the Afrikaners, Mr. Terre Blanche drew a distinction between those who made the Great Trek and those, like Mr. Botha's forebears, who remained in the Cape.

"I know the black man," he said. "I played with him while I was a child. I speak his language. I understand him. I do not hate him, but I know him and I realize that the black man is not interested in power-sharing."

"If you give him just a little bit, he uses that power to demand more power and if you try to share the power in the same country and he's a majority," Mr. Terre Blanche said, "he'll certainly destroy you."

Winnie Mandela Refuses U.S. Aid to Rebuild Home

The Associated Press

JOHANNESBURG — Winnie Mandela, the wife of the jailed black nationalist leader Nelson Mandela, refused a \$10,000 offer Wednesday from the U.S. government to help rebuild her fire-bombed home, and said she believes that the Reagan administration does not oppose apartheid.

Mrs. Mandela said she could not accept money from the U.S. State Department because it "maintains its support of the South African government by its policy of 'constructive engagement.'"

Her husband, a leader of the outlawed African National Congress, was jailed for life in 1964 after being convicted on charges of plotting sabotage. He is widely regarded as the most influential black leader in South Africa.

Constructive engagement is President Ronald Reagan's policy of attempting to persuade South Africa to end apartheid, the forced system of racial separation, rather than to threaten the nation, which



Winnie Mandela

is ruled by its white minority, with economic sanctions.

In a letter drafted by her lawyer, Mrs. Mandela said that some of Mr. Reagan's comments on South Africa "disturbed her greatly."

She cited Mr. Reagan's statement at a news conference after South African security forces fired into a crowd of blacks in Uitenhage in March, killing 17 persons and wounding 19.

Mr. Reagan placed a share of the blame on the black demonstrators, saying: "There has been increasing violence and there is an element in South Africa that does not want a peaceful settlement, that wants violence in the streets."

The letter read by Mrs. Mandela said that accepting U.S. government funds might create what it called the incorrect impression that the U.S. government "genuinely opposes apartheid."

Mrs. Mandela said, however, that she would accept contributions toward the rebuilding of her home from individual U.S. senators, and that she was grateful for

programs and other efforts in South Africa.

■ **Poet Admits Role in Murder**
A black South African poet who won a reprieve from the gallows has admitted taking part in the murder of a policeman but says he was under pressure from anti-government guerrillas, his lawyer said Wednesday. Reuters reported from Johannesburg.

Benjamin Moloi, 30, was due to be hanged Wednesday at the Pretoria prison. His execution was delayed Tuesday for three weeks to allow his defense team to prepare new evidence concerning the murder of a black policeman in 1983.

Priscilla Jona, his lawyer, said that Mr. Moloi signed an affidavit Tuesday saying he had participated in the murder under pressure from the guerrillas of the African National Congress.

Mr. Moloi's impending execution had prompted international and local appeals for clemency, including one from the British government and one from Bishop Desmond Tutu of Johannesburg.

Herald Tribune
Opening for Talks in Seen in Moscow
Summit Leaders Vow to Push for an Economic Recovery

2 FOR 1

Take advantage of our special rates for new subscribers and we'll give you an extra month of *Tribes* free with a one-year subscription. Total savings: nearly 50% off the newsstand price in most European countries!

To: Subscription Manager, International Herald Tribune, 181, avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Tel: 747 07 29. Telex: 612832.

Please enter my subscription for:

Country	1 year	6 months	3 months
Austria	4,020	2,170	1,190
Belgium	9,020	4,870	2,640
Denmark	1,250	1,040	570
Finland	1,410	760	414
France	1,200	644	337
Germany	1,410	760	414
Greece	1,410	760	414
Ireland	1,410	760	414
Italy	1,410	760	414
Japan	1,410	760	414
Netherlands	1,410	760	414
Norway	1,410	760	414
Portugal	1,410	760	414
Spain	1,410	760	414
Sweden	1,410	760	414
Switzerland	1,410	760	414
U.K.	1,410	760	414
U.S.A.	1,410	760	414
West of Africa, Canada, Latin America, Gulf States	1,410	760	414
Asia	1,410	760	414

Please charge my: ☐ Access ☐ American Express ☐ Diners Club ☐ Eurocard ☐ Mastercard ☐ Visa

Card expiry date: _____ Card account number: _____

Name: _____ Address: _____ City: _____ Country: _____ Tel: _____ Telex: _____

VACATION INSTRUCTIONS
I will be traveling from _____ to _____ (dates) _____
Please suspend my subscription during my absence and extend the date of expiration accordingly.
I would like to have this paper sent to my vacation address. (Please enclose instructions.)

INTERNATIONAL CLASSIFIED
(Continued From Back Page)

ESCORTS & GUIDES

INTERNATIONAL ESCORT
USA & WORLDWIDE
Head office in New York
300 W. 56th St., N.Y.C. 10019 USA
212-765-7896
212-765-7754
MAJOR CREDIT CARDS AND CHECKS ACCEPTED
Private Memberships Available
This award-winning service has been featured on the top 5 most exclusive Escort Services by USA & International news media including radio and TV.

USA & TRANSWORLD A-AMERICAN
EVERYWHERE YOU ARE OR GO!
1-813-921-7946
Call free from U.S.: 1-800-327-0877
Call free from Europe: 001-800-327-0877
Lowell Eastern welcomes you back!

CAPRICE ESCORT SERVICE
IN NEW YORK
TEL: 212-737 3291.

LONDON KENSINGTON
10 KENSINGTON CHURCH ST., W1
TEL: 01 343 9136 OR 01 343 9133
All major credit cards accepted.

LONDON BELGRAVIA
Escort Service
Tel: 736 5877.

LONDON
Portman Escort Agency
67 Chiltern Street
London W1
Tel: 494 3714 or 494 1158
All major credit cards accepted.

LONDON
EXECUTIVE ESCORT SERVICE
01-229 2200 or 01-229 4794

LONDON
ZARA ESCORT SERVICE
HEATHROW / GATWICK
Morning 10 Midday 334 7945

LUGANO
ESCORT SERVICE Tel: 091/56 97 41.

FRANKFURT
ESCORT SERVICE Tel: 069/33 1422

COLOGNE
ESCORT SERVICE Tel: 021/25 57 88

H. KONG & SONS
724 33 01
South East Escort Service

HEATHROW
LONDON ESCORT Service Tel: 994 6622.

LONDON
PARK LANE ESCORT Service Tel: 011/46 0038

MUNICH
SUPREME ESCORT Service Tel: 089/440038

DUSSELDORF
ESCORT Service Tel: 0211/36 31 41

ARISTOCATS
London Escort Service
128 Weymouth St., London W1.
All major credit cards accepted.
Tel: 49 4 41 1 474
12 noon - midnight

HEATHROW
* AND LONDON *
ESCORT SERVICE 01-834 6601

MAYFAIR CLUB
GUIDE SERVICE from 54
ROTTERDAM (0) 10-25415
THE HAGUE (0) 70-40 79 96

MADRID INT'L
ESCORT SERVICE
Tel: 2464544. CREDIT CARDS

ZURICH
Caroline Escort Service
Tel: 01/253 61 74

GENEVA-FIRST
DAILY ESCORT SERVICE
Tel: 022/23 34 18
+ WEEKEND + TRAVEL

FRANKFURT AREA
ISABELLE's Escort Service
Tel: 069/33 1422

BRUSSELS
ANTWERP NATASCHA
Escort Service Tel: 02/731 76 41.

DOMINICA
ANTWERP ESCORT
Tel: 069/33 1422

FRANKFURT
POLAND ESCORT
Tel: 069/33 1422

LONDON
ORIENTAL GUIDE Service
Tel: 011/46 0038

NEW YORK
KATHERINE Escort Service
Tel: 212 494-1023

STUTTGART
LADY ESCORT Service
Tel: 0714/4 98 00

BRUSSELS
CHANGAL ESCORT Service
Tel: 02/520 23 65

FRANKFURT
EVA'S ESCORT & Travel Service Tel: 069/44 77 75

AMSTERDAM
ESCORT SERVICE 020-999244

AMSTERDAM KIM SUE
ESCORT SERVICE 020-953892

CHelsea ESCORT SERVICE
51 St. James Place, London SW3
Tel: 01 343 9136 or 01 343 9133

FRANKFURT + SURROUNDINGS
Caroline's Escort + Travel Service
English, French, German, Spanish
Tel: 069/33 1422

LONDON TOP ESCORT SERVICE
Heathrow, American Express, 352 8343

GENEVA - HELVETIA ESCORT SERVICE
Tel: 36 29 32

VIENNA ESCORT - AGENCY
Tel: 37 52 37

DUSSELDORF - COLOGNE - BONN
+ area. Paul's Escort & Travel
Tel: 0211/392646

MADRID TASTE ESCORT SERVICE
Tel: 411727 Credit Cards.

AMSTERDAM
College Escort Service Tel: 201/2102

VIENNA CLOPPATRA ESCORT SERVICE
Tel: 22 72 85 or 47 70 35

VIENNA BROKE ESCORT SERVICE
Tel: 56 76 55

MADRID IMPACT Escort and guide
Services. Nottingham, 261 4142

VIENNA ESCORT SERVICE
Contact: 0211/392646

LONDON TRIBE ESCORT SERVICE
Tel: 01-737 8849

LONDON ESCORT AGENCY
Tel: 01-737 8849

LONDON ESCORT SERVICE
Tel: 01-737 8849

VIENNA VIP ESCORT SERVICE
Tel: 01-737 8849

ATHENS ESCORT AND GUIDE Ser
vice Tel: 8008194

NEW YORK
BENNY'S Escort Service
Tel: 212/851-1948

FRANKFURT + SURROUNDINGS
Caroline's Escort + Travel Service
Tel: 069/33 1422

LONDON ONLY JAPANESE ESCORT
Service Tel: 01 821 0227

DONNINGTON ESCORT SERVICE
Tel: 011 961 0154

DONNINGTON WATER ESCORT Ser
vice Tel: 011 961 0154

LONDON FRENCH/GERMAN AD
vance Escort Service Tel: 011 961 0222

هكذا من النهر

Chinese Sentiment on Japan Is Mix of Bitterness and Hope

By John F. Burns
New York Times Service

BEIJING — An elderly Chinese official who bicycles past the Japanese Embassy every day on his way to work found himself flinching last week as he glimpsed the white banner with the red circle at its center fluttering from the embassy flagstaff.

Asia has been transformed in the 40 years since he took to the streets of Shanghai to celebrate the Japanese surrender that ended World War II. Japan and China have established a new and thriving relationship. But for the official, as for many Chinese, emotions still are stirred by memories of the Japanese occupation.

Amid the welter of official activities marking the anniversary of the Japanese surrender in 1945, Chinese have been working over their attitudes toward Japan. What has emerged is a patchwork of feelings, some magnanimous, some bitter, that seem likely to condition relationships for a long time to come.

From the seizure of Manchuria in 1931 to the deployment of 1.3 million Japanese soldiers across China by war's end, China suffered more than any other under Japanese occupation. Official estimates put Chinese losses at 3.8 million soldiers killed and 18 million civil-

ians dead or wounded, and property losses at more than \$120 billion. At one level, the Chinese government's posture on the anniversary has been to celebrate the ties with Japan that have developed since the establishment of diplomatic relations in 1972, and particularly

Review said in an article, "but it should not be forgotten, written off or distorted."

In case anyone should think this is a philosophical matter, several officials have gone out of their way to say, in effect, that good as relations are, full trust is a long way off.

"You must understand what Japan has done here," a Japanese businessman said. "It is not for us to make a noise."

since a peace treaty was signed in 1978.

Gu Mu, a national Communist Party secretary who led an economic delegation to Tokyo two weeks ago, told Prime Minister Yasuhiro Nakasone that relations were "marvelously good in all aspects."

However, other pronouncements have offered a more modulated view similar to the one that the Russians have adopted in their ties with West Germany — that the broad development of trade and cultural contacts should not set aside the historical legacy of the war.

"Japan's ruthless invasion of China is now part of history," the English-language weekly Beijing

Qian Qichen, a deputy foreign minister, noted in an interview with the Australian Broadcasting Corporation that there were "those in Japan who want to revive militarism, but the Japanese will not countenance it."

"While it is necessary to be vigilant, there is no cause for fear," Mr. Qian said.

The wariness implicit in such remarks is compounded by a sense of frustration at the failure of Japan to offer more help in China's drive to modernize its economy. Although the thought is never publicly expressed, there is a feeling among educated Chinese that Japan has a historical obligation to help China out of its poverty.

Although Japan is easily China's largest trading partner, with \$13.2 billion last year, the trade is becoming lopsided. In the first six months of this year, Japan had surplus of \$2.8 billion, aggravating China's decline of hard currency reserves. Still more irksome from the Chinese standpoint, the Japanese have responded limply so far to requests that they loosen up on the flow of capital and technology.

"The Japanese are our neighbors in Asia, and they have profound historical responsibilities here," a trade official remarked. "We expected more."

On a personal level, Japanese visiting and living here have gained a reputation for being, among foreigners, outstandingly polite and self-effacing. One Japanese businessman, asked why he did not press his case harder with a Chinese government ministry that was dragging its feet on a potentially lucrative deal, replied: "You must understand what Japan has done here. It is not for us to make a noise."

However, there is concern among Chinese that attitudes like these are becoming rarer as the wartime generation dies out and is replaced by younger Japanese who feel no personal guilt. There was an echo of this in a Chinese protest in

advance of Mr. Nakasone's visit last week to the Yasukuni shrine for Japan's war dead.

A Chinese spokesman said that the visit would "hurt the feelings" of Chinese since the shrine commemorated such wartime figures as Hideki Tojo, who headed Japan's government through much of the war. When the visit went ahead, Chinese newspapers published reports of protests at the shrine.

For its part, China is using the anniversary to ensure that wartime memories remain alive. The government has organized mass rallies, the preparation of special books and films, commemorative stamps, academic seminars and wreath-laying ceremonies. The climactic event is to occur Sept. 2, the day of the signing of Japan's surrender, when 100,000 people are expected to lay wreaths at the Beijing monument to the People's Heroes.

The anniversary also is being used for other political ends. Articles, books and films are giving prominence to the role played in World War II by Chiang Kai-shek's Nationalist soldiers, later defeated by the Communists in a civil war.

In the past, Communist histories generally depicted the Nationalists as cowardly and ineffective, and as having conserved their weapons and energies for use against the Communists after the defeat of Japan.

Although General Chiang's personal role is virtually ignored, the new spate of publications emphasizes the part played by Nationalist soldiers alongside the Communist forces, whose efforts are described as decisive.



Baccarat

30 bis, Rue de Paradis
75010 PARIS

(thru the archway)
Tel.: 770 64 30

When in Paris...
visit our Museum
and showrooms

Open Monday - Friday
9 a.m. to 6 p.m.
Saturday 10 - 12 a.m. - 2 - 5 p.m.
Also in selected stores
near your home.
Catalogue on request



Dr. Edward Teller at the nuclear war seminar in Erice.

Russians Don't Show Up At Talks on Nuclear War

Reuters

ERICE, Sicily — Soviet scientists stayed away from an international seminar here on nuclear war as delegates met to discuss President Ronald Reagan's project to develop a space shield against nuclear missiles.

Participants said the absence of 12 Soviet scientists and academic experts dampened the mood.

The seminar, which has been held annually for the last four years, is one of the international forums where colleagues from East and West can discuss issues of nuclear war.

Several U.S. scientists, including Dr. Robert Budwine, a physicist at the Lawrence Livermore National Laboratory in California, who is working on the space shield, voiced disappointment.

"The atmosphere certainly would have been different and the give and take would have been interesting if they had come," he said.

Organizers said they had not received any explanation for the Soviet delegation's absence. The seminar began Tuesday.

Foreign Minister Giulio Andreotti of Italy said the absence might be linked to the disappearance in Rome three weeks ago of a Soviet diplomat, Vitali Yurchenko. He also mentioned possible fear of Mafia violence in Sicily.

Others said the Soviet absence might be connected to the disappearance in Spain last April of a

mathematician, Vladimir Alexandrov, who attended the Erice seminar last year.

An Italian, Professor Antonio Zichichi, said he had received a telegram from Professor Yevgeni Velikhov, vice president of the Soviet Academy of Sciences, inviting him to visit Moscow to discuss "problems concerning our scientific links."

Dr. Budwine described Washington's space defense program, known formally as the Strategic Defense Initiative, as "a rational approach to what is basically an irrational situation."

Dr. Gregory Canavan, a physicist at the Los Alamos Laboratory in New Mexico, said there were technical, financial and moral problems facing the missile shield but he believed none were insurmountable.

Dr. Edward Teller, the Hungarian-born U.S. nuclear scientist, said predictions that nuclear war would mean the end of mankind were wrong.

"Those people who talk about nuclear war as the end of mankind contradict themselves because nuclear war can be reduced to a proportion," he said. "It would not be the end of mankind."

He said the goal of U.S. nuclear military policy was to deter Soviet attack. "If we show our opponents that aggression against us will not succeed, then aggression will not come," he said.



Martin McGuinness

BBC Subject In Film Jailed Over Fines

Compiled by Our Staff From Dispatches

BELFAST — Martin McGuinness, one of the men featured in a controversial British Broadcasting Corp. film about extremism in Northern Ireland, has been jailed for 28 days after refusing to pay fines, police said.

They said Mr. McGuinness, a senior member of Sinn Féin, the political wing of the outlawed Irish Republican Army, had been fined £155 (\$215) in March for obstructing and assaulting police. He was jailed Tuesday.

The BBC, at the request of Home Secretary Leon Brittan, decided last month to cancel showing the interview with Mr. McGuinness. That set off charges of government censorship and a dispute over BBC's editorial independence, with broadcast journalists staging a 24-hour strike.

Meanwhile, the IRA claimed responsibility for killing a wealthy building contractor in the Irish Republic "because of his collaboration." The contractor helped security forces build barracks and police posts.

A statement issued in Dublin said Seamus McEvoy, 46, originally from Northern Ireland, had been warned repeatedly about his building contracts for security forces but had continued to supply materials and temporary huts for barracks and military border posts.

"Without such bases the British military power in the north would be severely hampered," the statement said. "There will be no more warnings."

Police sources said Mr. McEvoy had extensive building interests on both sides of the border and had completed several maintenance contracts for security forces. One of his companies in Northern Ireland had been bombed repeatedly.

(Reuters, UPI)

Radioactive Material for Medical Use Was Carried on Japanese Jumbo Jet

By Matthew L. Wald
New York Times Service

BOSTON — The Japan Air Lines plane that crashed on Aug. 12 was carrying 61 small packages of radioactive materials manufactured in the United States for medical research and diagnosis in Japan, according to the New England Nuclear Corp.

A spokesman for New England Nuclear, which is a subsidiary of Du Pont Co., said he thought it unlikely that radiation levels would be high enough to affect the four survivors or rescue workers.

He said the Japanese authorities were informed about the materials before rescuers reached the site.

In a telephone interview Tuesday, the director of the U.S. Nuclear Regulatory Commission's office of international programs, James P. Shea, said the Japanese had found some of the packages intact.

"They had not found any problem so far," he said. "They haven't reported finding any radiation levels as if any were broken open."

The material involved included iodine-125, which is a hazard if

taken internally, and phosphorus-32, which can be an external hazard.

According to the company spokesman, the material is shipped in very small amounts and if the largest vial of phosphorus had come to rest near the exposed skin of a survivor or rescue worker, the dose would have been 300 milliroentgen per hour, which he called "a nuisance amount." Clothing would have cut the dose, he added.

For comparison, the Environmental Protection Agency sets a guideline of 1,000 to 5,000 milliroentgen where the authorities should tell members of the public to take shelter. The average American receives a radiation dose of about 200 milliroentgen a year, half from natural sources and half from man-made sources.

The radiation in the phosphorus will return to background levels within the environment in about five months, according to the company spokesman, and the iodine in about two years.

The material on the Japanese flight was bound for Dietrich, a Japanese pharmaceutical distributor, according to the company.

The materials are used in animals in cancer research and research into DNA and in human tissue samples, but generally are not used directly on humans. They are shipped by air because they are short life spans and because scientists often have an urgent need for them.

In Washington, a memorandum sent to the five members of the Nuclear Regulatory Commission by the commission staff last week said that the packages could pose a potential health hazard if they were damaged during the crash.

A Record 99 Nominated For Nobel Peace Prize

Reuters

OSLO — A record number of 99 nominations for the 1985 Nobel Peace Prize has been submitted to the Norwegian Nobel Committee, committee sources said Wednesday.

There were 81 nominations last year, and the winner was Bishop Desmond M. Tutu of South Africa. The winner will be announced in October. The other nominees will not be revealed.

Bonn Seeks Third Suspect In East German Spy Ring

Reuters

BONN — West German investigators announced Wednesday that they were hunting a third suspected spy following the disappearance of two secretaries believed to have been East German agents.

The Federal Prosecutor's Office said it had begun inquiring into the disappearance at the weekend of a messenger in an army administrative center in Bonn. The office refused to give further details but security sources said the man, whom they identified as Lorenz B. 53, had been a close friend of Ursula Richter, one of the two missing secretaries.

The security sources said that the simultaneous disappearance of the

messenger had reinforced suspicions that Miss Richter had been a controlling officer in charge of a string of agents in Bonn.

A spokesman for an elevator company that previously employed the messenger said that the man was involved in the installation of air-conditioning equipment in a top-secret government bunker near Bonn in the 1960s.

Earlier photographic records, the prosecutor's office said, indicated that the other missing secretary, Sonja Lohsbach, 61, had lived in Bonn under a false identity for 20 years before vanishing more than two weeks ago. She was a long-time personal aide of Economics Minister Martin Bangemann.

Car Owner Held in Cairo Killing

Reuters

CAIRO — Police detained Wednesday an Egyptian whose car is believed to have been used in the killing of an Israeli diplomat, police sources said.

He was identified as Osama Ali. The car was abandoned after the assassination.

A hitherto unknown group called Egypt's Revolution claimed responsibility for the killing Tuesday of Albert Atraghi, administrative attaché at the Israeli Embassy.

Meanwhile, the Egyptian tourism minister, Wajih Shindi, arrived in Israel Wednesday for an official visit.

Turks Reported to Slay 3 Kurdish Guerrillas

Reuters

ANKARA — Turkish troops killed three Kurdish separatist guerrillas and wounded another in a clash on Mount Ararat, a military statement said.

The action took place Tuesday, the statement said. The peak, which rises 5,165 meters (16,945 feet) near the border with Iran, was closed to mountaineers, including Christian fundamentalists looking for Noah's Ark, two weeks ago after the Kurdish rebels were reported to have robbed foreign climbers.

DOONESBURY



You'll always be recognised by your taste in Scotch.



Johnnie Walker Red Label.
Recognised for good taste throughout the world.

JOHN WALKER & SONS LTD., SCOTCH WHISKY DISTILLERS, KILMARNOCK & SCOTLAND

Marriott Hotels in Europe

AMSTERDAM · ATHENS · LONDON · PARIS · VIENNA

Marriott
HOTELS • RESORTS

For reservations: Amsterdam ☎ (20) 43 51 12 · Frankfurt ☎ (069) 28 74 92 · London ☎ (01) 439 0281 · Milan ☎ (02) 345 2009 · Munich ☎ (089) 18 20 93 · Paris ☎ (06) 079 11 37 · Zurich ☎ (01) 302 0979 · Utell International or your Travel Agent.

Herald Tribune

Published With The New York Times and The Washington Post

Trade, Jobs, Currencies

Most members of the U.S. Congress want to help ailing manufacturers by shutting out foreign competitors. In refreshing contrast, Senator Bill Bradley aims to treat the disease, not just its symptoms. He may not have all the answers, but it is good to find someone in Washington looking to save open trade, on which the world's prosperity depends.

With the dollar costing a third more than in 1981 in international exchange, even the most efficient American producers have trouble competing with foreigners. But protectionism, although tempting, is no fix at all. Tariffs or quotas protect inefficient as well as efficient companies, raise prices and invite retaliation against American products. Just such a cycle of protection and retaliation smashed the world's trading system in the 1930s.

Senator Bradley wants to reduce the political appeal of protectionism by giving workers displaced by imports some hope of other employment. He would use a modest tariff of 1 percent on all imports to give them a choice between higher unemployment benefits or stipends for retraining and moving to new jobs.

This proposed "Job Security Bank" is still a vague idea. One obvious source of concern is the precedent of using a tariff to raise revenue. If the program is worth doing it is worth financing with general tax revenues. But the underlying concept is laudable: It is immoral and impolitic to expect individual workers to bear the brunt of great economic change.

Senator Bradley has another idea, perhaps even more controversial, for managing foreign

exchange rates. To reduce the dollar's value and make American goods more competitive, he would require the Federal Reserve to sell dollars and stand ready to intervene in currency markets to prevent any rapid rate changes.

The Reagan administration has opposed such intervention, arguing that it interferes with free market forces. But markets are not an end in themselves. The real questions are whether the Fed has the muscle to counter market forces and whether Americans would accept the consequences. At this stage, a determined effort by the Fed would probably be effective, if only because owners of dollars must be ready to believe that these will soon lose more value. But as the trade deficit diminishes the budget deficit crisis would accelerate.

A cheaper dollar would almost certainly reduce imports, reducing the total goods available for government and private purchases and investments. That would leave the Federal Reserve with a tough choice: force up interest rates to crowd out private borrowers who compete with the Treasury, or expand the money supply, in effect inviting inflation to ration credit among public and private investors.

No conceivable trade or exchange policy can have much value unless the United States also puts its fiscal house in order. The American economy needs open world markets to thrive. Managing exchange rates is not the only way to keep them open, and may not be the best way. But Mr. Bradley invites a debate that should have started long ago.

—THE NEW YORK TIMES

Appearances in Power

The Pentagon has now done just what it had to do in the case of Mary Ann Gillespie. That is good news and bad. In a technical sense the case has been neatly disposed of. Miss Gillespie has been pilloried in a report by the department's inspector general and has resigned. But the almost surgical nature of the process by which she was removed is itself a part of the problem. Words are cheap in cases such as this, but we would have welcomed a few from on high, some sense of indignation on the part of the secretary or deputy secretary. Plainly they care. It would help if they said so. Miss Gillespie has been caught and is gone. What is the lesson? That is what they should tell us.

The inspector general took us as far as a person of his rank can. On several occasions the present inspector general, Joseph Sherrick, has shown himself to be an important force for good in the department. The department's senior officials had turned to him on July 3, about a week after stories saying Miss Gillespie was considering setting up a consulting firm appeared in the press. The stories suggested that she was soliciting future business from defense contractors over whose affairs and profits she still exercised official sway.

Before writing to the contractors, Miss Gillespie had gone to the attorney in the general counsel's office who has charge of conflict-of-interest questions. There is some dispute as to how much she told him and what he replied. Mr. Sherrick said she should have been sharper in the advice he gave. He suggested that, in future, ethics advice to senior officials be more formal and in writing, and that the standards of conduct be clarified. But ultimately, he said, "responsibility... rested with Ms. Gillespie, herself an attorney. [We] do not believe her

culpability is significantly reduced by good faith reliance on the advice of counsel."

Mr. Sherrick said there was no evidence that Miss Gillespie had broken the law, or had specifically helped any contractor whose custom she was seeking. Her problem instead was with the departmental rules, he said, which forbid not just conflict of interest but the appearance of it. Appearances — and the public confidence that they can so powerfully affect — are partly what is at stake here. We are compelled to turn to Mr. Sherrick. "The actions taken by Ms. Gillespie, and the ensuing publicity, have so compromised her ability to perform her rule making and policy setting role that she can no longer effectively serve the department in such a position," he wrote. Her violations of the rules "created a lack of public confidence in her official conduct."

Defense contractors both are and are not like other private companies in the economy. Their relationship with their prime customer is not the same as the arm's-length relationships that prevail in private transactions. On many issues the interests of department and contractors are the same. Almost every administration looks to the contractors for some of its senior defense officials; as is well known, the contractors recruit from the department in turn. The revolving door is itself a source of public distrust, yet difficult to deal with. Congress just tried, again, to legislate against it, and not with much success. The Gillespie case is easy; others are hard. The secretary needs to speak out on them, more than he has. They are ethical issues, and the inspector general's office should not be the only place to which one looks for guidance on them.

—THE WASHINGTON POST

Other Opinion

Karami: At a Loss for Words

What can I say to the citizen when we have lost all sense of values, morality, heritage and civilization? Say or do? Is it any good resigning? Or staying on without the least ability to help people bear the burden? I don't know.

—Prime Minister Rashid Karami of Lebanon, quoted in *The Guardian* (London).

Marcos: Overrating His Hand?

Cut off from most sources of new credit, faced with a contracting economy, a Communist insurgency, waning popular and international support and growing pressure to implement unpopular political, economic and military reforms, President Marcos is considering calling an early presidential election. The prospect is a worrying one. A clean presidential election, following last year's open and fair legislative poll in which the opposition won a third of the seats, would also strengthen the country's democratic institutions. If this is what President Marcos intends to be the outcome of an early election — one is not officially due until 1987 — then he should go ahead. But there are good grounds for suspicion.

It is true that, under considerable pressure, Mr. Marcos has made some changes. But there has been as yet no fundamental reform such as

doing away with the Philippines' particular brand of "crony capitalism" or the opening of a genuine dialogue with the opposition.

A big reason why Mr. Marcos has been able to get away with half measures is the belief that U.S. political and economic support would go on indefinitely because of Washington's desire to keep its military bases. [He] needs to ask himself how far the United States would be willing to go in defending these important bases. If, as a result of his failure to implement the necessary policies, widespread upheaval were to combine with Communist insurgency to plunge the country into chaos, would an American president sacrifice a single U.S. soldier to defend the bases? Almost certainly not.

—The Financial Times (London).

Botha: An Electorate to Fear

Anyone naive enough to believe that President P.W. Botha, with a single bold stroke, would open the door to black power must be blind to the fact that there is more to South African politics than the unrest in the townships and the police action to contain it. Elections are on the way. [Concessions could] undermine Mr. Botha's position in the eyes of most white voters and lead to the election of leaders with far more extreme views.

—Neue Zürcher Zeitung (Zurich).

FROM OUR AUG. 22 PAGES, 75 AND 50 YEARS AGO

1910: Paris Dog Captures 'Apaches'
PARIS — Fresh laurels were won by the Paris police dog, Capitaine, the companion of two policemen attached to the 8th arrondissement, being instrumental in the capture of two "apaches." "Something like a pitched battle was going on between two bands of these individuals when Capitaine and his uniformed comrades came on the scene. At once the "apaches" united forces and opened fire on the police. The dog was let loose and a moment later he was in pursuit of the bandits who at the sight of him had taken to their heels. Capitaine, however, succeeded in keeping two of them fast prisoners until policemen arrived.

1935: Boeing Bomber Sets Records
DAYTON, Ohio — A new chapter in the possibilities of aerial warfare was written when the giant new Boeing "flying fortress," 15 tons of potential death, landed here after making a non-stop test flight of 2,300 miles [3,700 kilometers] from Seattle in exactly nine hours at the speed of 255 miles an hour. The huge armored bomber hurtled through the air at an altitude of 10,000 feet, smashing all world records for military planes. This is the most formidable death machine ever given a public demonstration. One ton of bombs can be carried, and five gun turrets enable the bomber to protect itself from attack on every side.

America and Japan Should Make Peace and Link Up

By Howard H. Baker Jr.

The writer, a lawyer, was Senate majority leader from December 1980 to last January.

WASHINGTON — In the recent 40th anniversary celebration of the end of World War II, two facts were obscured that need to be made clear.

First, America is still at war with Japan. Second, it is losing.

I visited Japan not long ago, congratulating everyone on Japan's incredible post-war trade success, told them it was causing Americans quite a lot of trouble and suggested that it would cause them trouble next.

I don't think anyone was listening. "The largely cosmetic 'action package' of trade reforms announced by the Japanese government in July only reinforced that feeling. Having returned from Japan to hear a rising chorus of protectionist sentiment from my former colleagues in Congress, I believe it may be worthwhile to offer a few ideas on what can be done to end the war, secure the peace and increase the prosperity of the two countries and the world at large.

The one-sided nature of trade between America and Japan in recent years is familiar to everyone. What is less well known is that these persistent trade imbalances have been so large for so long that America is rapidly accumulating a foreign debt surpassed only by its federal deficit. By 1990, that trade deficit could well total a trillion dollars.

It should be noted here that Japan is not the only trade problem the United States has. But it is the biggest one, and if this problem can be solved, they all can.

I think it can be solved, in three stages. In the short term, Americans must get the attention of the Japanese and let them know they are serious about this issue. The Senate's recent resolution condemning Japan's trade practices — a resolution that passed on a 92-0 vote — is one way of getting Japan's attention. The flurry of increasingly protectionist bills in Congress is one way of keeping it.

But Americans must remember that they are dealing with live ammunition here, and take care not to shoot themselves in the foot. The disastrous Smoot-Hawley Tariff Act of 1930 and its sequel, the Reciprocity Information Act of 1940, and it took 14 years and a world war to straighten out the mess.

Still, it is not too much to ask — even to demand — that the Japanese give America better access to their domestic market, in return for keeping the vast and lucrative American market open to them.

I frankly doubt that many American consumers would be interested in many Japanese products, particularly until American manufacturers make a more conscientious effort to

adapt their products to Japanese preferences. But in the fields of finance, telecommunications, government contracts and other large-scale enterprises, I believe both countries would profit by greater American participation in the Japanese economy.

The second stage of the solution is to do everything that America can unilaterally to improve its trade position. This involves, among other things, reducing the federal deficit, rechecking the stock of exportable goods and preparing more diligently and deliberately to compete in a global market.

As for the deficit, Congress labored mightily and courageously this year to reach what the wider world saw as a largely cosmetic deficit reduction package — much as it saw Mr. Nakasone's "action package" of trade reforms. The hard truth is that Congress must do more next year, and the next, and the next, before the deficit problem nears solution.

As for exports, it may well be time to reconsider the prohibition on sales of Alaskan North Slope oil to Japan. That prohibition was imposed in a time of energy crisis and embargoes, and while it may have made sense at the time, it does not make much sense now that we are awash in a sea of oil. Several billion dollars could flow America's way almost immediately with the flow of Alaskan oil to Japan. Washington should at least put it on the table and see what it can get in trade.

As for preparing to compete with the world, I agree with the governor of Tennessee, Lamar Alexander, that this is "the greatest challenge for America's future," and I am happy to point to my own state of Tennessee as a model for such preparation.

I told the president of Nissan not long ago that, with a combination of Japanese industrial technique and American pride, we are building better Datsuns in Smyrna, Tennessee, than they build in Tokyo. And the people of Spring Hill, Tennessee, working with the people of General Motors, are looking forward to selling a truly competitive American automobile, the Saturn, to the whole world.

The third and final stage of the solution is for the United States and Japan to understand and agree that they have a special role of mutual leadership to play in the world, that this role will expand and intensify in the new century just ahead, and that they cannot play this critical role successfully if they cannot work well together at every level of enterprise.

With apologies to other friends and allies of

America around the world, the plain fact is that the United States and Japan share an economic diversity and a technological capacity that no nation or group of nations can match. If current trends continue, this distinction will only be more pronounced in the future. Both sides must be prepared to deal effectively and wisely with this emerging economic and political reality.

One step in that preparation might be to establish a new form of trading currency between the two countries that reduces or eliminates the disparity between the yen and the dollar. We might include Canada — the largest U.S. trading partner, with which the United States has its second largest deficit — in this new currency arrangement, creating our own version of the European Currency Unit that serves the Common Market.

Another step, solely up to the Japanese, whose success has made them the "OPEC of trade," may be to recycle a substantial portion of their trade profits in a comprehensive and constructive program of foreign investment. Tennessee has benefited handsomely from such investment, and Japan could win a

great many more friends around the world with an expanded investment program. Much of the Third World, for example, still reels from the effects of the other OPEC's reign of greed. Japan could make a major contribution, worthy of its standing in the first rank of global economic power, to the alleviation of the Third World's distress and to the construction of a more prosperous and productive world economy.

Whatever specific steps may be required to cement this new and special relationship between the two countries, those steps must be taken in a spirit of mutual respect and with a minimum of pettiness.

American politicians must understand that U.S. policy cannot be "Let their Toyota sit on their docks," because Americans like Toyotas and want to buy them.

Japanese politicians must understand that cosmetic concessions, arrived at only after the most tortuous negotiations, will try the patience of a frustrated Congress and may lead to protectionism of the most virulent strain.

In short, there is no political or economic profit in continuing this war, which both sides would ultimately lose. The time has come for peace among friends, and for progress and prosperity in which all nations can share.

The New York Times



Criticizing South Africa: Israel Should Clean Up Its Own Act

By Mark A. Bruzonaky

I FIRST encountered the charge that Zionist racism makes Israel comparable to South Africa in the early 1970s, while I was chief representative of the International Student Movement for the United Nations. I protested vehemently in a personal letter to an assistant of Secretary-General Kurt Waldheim. Officials of the American Zionist Youth Foundation sent copies of that letter to Jewish university students in the United States and Israel, and then commissioned me to write monthly articles on Zionism for their newsletter.

I next confronted the Israel-South Africa comparison at Princeton University while obtaining a master's degree in international affairs. Professor Richard Falk, himself Jewish, repeatedly linked the situations of the two countries in his course on international law. I remember sharing the outrage of my Israeli student colleagues. Once again I protested.

In my subsequent work for the American Jewish Congress and the World Jewish Congress, and on unrelated journalistic assignments, I traveled widely in the Middle East. My perspective broadened.

I provide my own history to make clear that for years I aggressively challenged comparisons of South Africa and Israel. Now I have come to conclude that the similarities between them outweigh the differences.

Tragically, Israel today has become precisely what many of its liberal founders feared — a besieged, divided, polarizing country whose methods of repression against the Palestinians parallel those of white South Africa against the blacks.

Analogies are always imperfect an-

alytical tools. Historically and culturally, conditions in Israel and South Africa are replete with differences. I leave those to be catalogued by others, who will no doubt be eager to challenge my conclusion.

Here are what I view as the important points of similarity:

- Both states are escalating militarism, intimidation and brutality.
- In both cases, self-determination is being sought by a mistreated, oppressed, abused ethnic group — the blacks of South Africa, the Palestinians in the territories occupied by Israel since the 1967 war.

Both oppressed groups have resorted to defiance and violence. In both cases the potential for escalating conflict is growing. Riots and strikes are spreading in South Africa, and there is a state of emergency. The results of Israel's policies are being reaped in a degrading economy and a descent toward anti-democratic attitudes germinating amid anti-Arab sentiments.

Responding to these conditions and to the continued Palestinian struggle for an independent state, the government has further stepped up a campaign against its Palestinian subjects that over the years has included deportation, imprisonment, collective punishment and, occasionally, documented torture. Emergency regulations left over from British mandate days in what used to be called Palestine, similar to those imposed in South Africa, are enforced by Israel in the occupied territories.

Looked at historically rather than through the obscuring lens of day-to-day headlines, the white minority of South Africa and the Jewish minority in the Middle East are both coming up against their own inescapable contradictions. In an era of nondiscrimi-

nation and secularism they are ideologically wedded to principles that many in the world term racist.

For South Africa there is no solution in sight. The white minority seems destined to raise the level of oppression until the society boils over in rage, as it has begun to do. The time for compromise may be past.

The situation is more confused in the case of historic Palestine, a land that the world community voted to partition in 1947 between the same two nationalist movements that are in conflict today. Jewish ethnicity and chauvinism in combination with Zionist nationalism have created a mix that is discriminatory in spirit if not in actual laws.

The greatest distinction between Israel and South Africa is that while Zionism is legally nondiscriminatory, apartheid is legally racist. And yet, if we are to be honest, in practice the results are comparable.

The most hopeful difference between the two may be that an acceptable solution is still conceivable for Israel and the Palestinians — peaceful coexistence and mutual recognition of both peoples' national rights. However, increasing attacks of Jewish settlers on the West Bank and rising Israeli support for extremists are signs that time may also be running out in the Middle East.

In the past few months a number of major American Jewish organizations have spoken out against South African repression. Jewish leaders have been arrested picketing the South African Embassy.

More recently the Israeli government said that it "unconditionally objects to the policy of apartheid in South Africa," although it took no steps to alter the substantial trade, arms and security relationships that exist between the two countries. Prime Minister Shimon Peres condemned apartheid as "completely contrary to the very foundations on which Jewish life is based."

But around our world today people who speak in one way and act in another have little credibility. To protest against apartheid while acquiescing in Israel's continuing campaign to intimidate the Palestinian people into submission is hypocrisy.

The writer was Washington associate of the World Jewish Congress from 1977 to 1983. He is co-editor of "Security in the Middle East," which is being published for the Woodrow Wilson International Center for Scholars at the Smithsonian Institution in Washington. He contributed this comment to the Los Angeles Times.

LETTERS

Antifreeze Guidance

The European automobile associations and touring clubs should publish lists of which wines will be safe for motorists to put in their car radiators this coming winter.

LAURANCE D. JACOBS, London.

Bushes Are Unlikely

In response to the report "Shakespeare Meets Textbook Censors" (Aug. 18): It is highly unlikely that American ninth grade students would need any prompting from Shakespeare in "Rude" or "expressly sexual terminology."

Instead of mutilating some of the world's greatest poetry, let those responsible for such assinine and alarming excesses offer their services to Aytollah Khomeini and the like.

MARJORIE A. STEELE, Antibes, France.

When Ronald Reigns, Who Governs?

By Philip Geyelin

QUEENSTOWN, Maryland — Thirty or so liberal arts professors from small colleges spent the better part of a recent week pondering American values in a wooded grove on the Wye River not far from here. The readings ran from Aristotle and Plato to Machiavelli, the Declaration of Independence, Lincoln and Franklin Delano Roosevelt. A few nonacademic gadflies were invited along to lend contemporary context and/or comic relief.

In that spirit, I offered what struck me at the time as a Constructive Thought. We were talking about "citizenship in the American polity" (about how well we govern ourselves); the consensus seemed to be that the system doesn't work. By way of striking a positive note, I ventured the proposition that what America needs is a monarchy.

You might have thought I suggested a Fourth Reich. A monarchy, the assembled academics impatiently explained, is what the American Revolution was against. A constitutional monarchy, I explained, is what I had in mind.

I would like to take this opportunity to pursue the point. The United States is alone among the Western democracies in combining in one office, the presidency, two jobs: head of government and head of state. The European democracies have kings or queens or presidents to symbolize the state as a father figure and friends in court for all the people.

To run the government, they have prime ministers whose power resides in political parties and their command of parliaments. As Bob Hope said, when he was asked why he had a handkerchief neatly folded in his breast pocket and another

stuffed into his jacket cuff, "One is for show and one is for blow."

But Americans have only one handkerchief; they ask their presidents to personify the integrity and continuity of the state while managing a government whose power flows from a legislature that has its own political party may or may not control. You do not have to search far back in the record to demonstrate that American presidents have rarely been good at both.

Jimmy Carter had too tight a grasp on the controls of the executive branch. Congress was in friendly Democratic hands, but he got in a fight with a rabbi and said things like "Trust me," which is more than a politician can expect. Then came Iran, and he lost the prerequisite of a head of state: a meaningful relationship with the people.

With Ronald Reagan it is just the other way around. Like Mr. Carter, he ran for the presidency as a head of state, with a proper, royal disdain for the grubby side of government. He would be the people's champion against the craven special interests of Congress and the bureaucracies. Unlike Mr. Carter or any other recent president (except Eisenhower), King Ronald has retained the trust of his subjects by seeing to it that they do not look upon him as a head of government.

Congress, by contrast, has let his ministers take the falls. When the parliament rebels, the head of state cannot be held accountable. The correct gestures help: the reassuring, regal wave, the easy grin, the questioning cocked eyebrow, the outstretched arms, palms up — all

these convey the right blend of benevolence and innocence.

A president who is good at the role of head of state is only expected to propose a Middle East peace plan, a foolproof bubble to end the threat of nuclear war, the consignment of an "evil empire" to history's ash heap, a balanced budget. "You guys work it out," he says.

The trouble is that even if it works with the people, the relationship is personal. The chemistry may get some good things done and insulate the president from the consequences of bad things done, or undone, but it is a sometime thing. For a coherent, stable way of governing, you need both a head of state and a head of government. A president who is good at one of those functions is almost doomed to be bad at the other.

The modern president's authority, essentially, derives from his status as a popular hero, "political scientist" William Schneider wrote recently in the Los Angeles Times. "If a [European] prime minister... proves to be an ineffective leader, power can be transferred to another party leader without creating a political crisis. It is much harder to transfer legitimacy in the American system. A president's power is personal. It must be established directly with the American people and cannot be transferred."

Mr. Schneider knows no sure cure for the political system. It may simply be something that we have to live with. That is why I brought it up at a learning experience on Maryland's tranquil eastern shore. It was a perfect occasion for thinking thoughts that lead you nowhere in particular, in no hurry.

Washington Post Writers Group.

INTERNATIONAL HERALD TRIBUNE

JOHN HAY WHITNEY, Chairman 1958-1982

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER

Co-Chairmen

LEE W. HUENNER, Publisher
RENE BONDY, Deputy Publisher
WALTER WELLS, Editor
SAMUEL ARI, Deputy Editor
ROBERT K. MCCABE, Deputy Editor
CARL GEWIRTZ, Associate Editor

International Herald Tribune, 181 Avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France. Tel.: (1) 747-1265. Telex: 5-28518 (Herald). Cables: Herald Paris. ISSN: 0294-8052.
Director of publication: Walter M. Thayer.
Asia Headquarters: 24-34 Hennessy Rd., Hong Kong. Tel.: 5-28518. Telex: 61170.
Managing Dir. U.K.: Robin MacKinnon, 65 Long Acre, London WC2. Tel.: 836-4800. Telex: 262009.
Gen. Mgr. W. Germany: W. Langsdorf, Postfach 11, 4000 Düsseldorf 11. Tel.: 2375723. Telex: 416721.
S.A. ad capital de 1,200,000 F. RCS Nanterre B 733021/126. Commission Paritaire No. 6137.
U.S. subscription: \$322 yearly. Second-class postage paid at Long Island City, N.Y. 11101.
© 1985, International Herald Tribune. All rights reserved.

هكذا من الظاهر

SCIENCE

Gray Area of Animal Vision Is Proving a Colorful Field

By Walter Sullivan
New York Times Service

THE world of animal vision, long a gray area for scientists, is beginning to come alive with color. While research in the field is in its infancy, recent findings indicate that some species see brightly hued landscapes in colors invisible to human eyes, where others see drab colors or none at all.

What does the world look like to a bird, a bee, a goldfish, a cat? What color does a bull see when confronted with a red flag? Does the "color blindness" of some monkeys explain the origin of such defects in human beings?

For centuries there was no way to answer many of these questions because it was so hard to determine whether an animal could see a particular color. But new testing methods are making it possible.

Animal research may lead to a better understanding of human vision. Researchers are discovering many parallels between color vision in animals and humans, particularly in connection with color blindness.

Dr. Gerald H. Jacobs, a specialist in animal vision at the University of California at Santa Barbara, has been studying color blindness in Peruvian squirrel monkeys.

The animals are exposed to three panels whose colors can be altered. In each test, two of the panels are of identical color and the third is different. If the monkey can identify

and push the panel whose color is different, a banana-flavored food pellet or a small serving of grape juice is delivered.

Dr. Jacobs, a professor of psychology, said that, apart from man and primates, most mammals probably had only two types of light receptors and therefore have relatively poor color vision.

Humans are rarely, if ever, totally color-blind, but almost 8 percent of Caucasian males lack functioning sensors in one of the three categories needed for full color vision. The human retina contains two basic kinds of receptors: cones, which provide the basis for color vision, and rods, which record faint light.

Each cone contains a photopigment particularly sensitive to one of three parts of the light in the electromagnetic spectrum. The peak response of one class of cones is to a wavelength of 419 nanometers (billionths of a meter) in the violet part of the spectrum. Another class is most sensitive to 531 nanometers, or green. The third class of cones responds chiefly to 559 nanometers, a shade of green, but its range of sensitivity extends to yellow and red.

The cones receiving an electromagnetic impulse corresponding to the wavelength of a color pass along that impulse to the nerves and a color message is sent to the brain. By comparing these light messages, the mind identifies color.

Blindness to red, known as protanopia, occurs in people lacking cones that are sensitive to 559 nanometers. Deuteranopia, or impaired perception of green, occurs in those without cones receptive to 531 nanometers. In tritanopia, affecting less than one person in 15,000, a failure to distinguish blue arises from a lack of cones sensitive to 419 nanometers.

Like the color-discriminating apparatus of the human eye, that of insects depends on recording and comparing light intensities in these three regions of the spectrum. But what a person sees and what an insect sees can be vastly different.

Being sensitive to ultraviolet light, a bee zeroing in on a black-eyed Susan sees a bull's-eye pattern in what to human eyes are uniformly yellow petals. Because the bee's eye cannot see red, a white phlox blossom looks blue-green.

Dr. Kenneth M. McCrea of Bucknell University in Lewisburg, Pennsylvania, an authority on insect vision, says the flowers look white to human eyes because human retinas are sensitive to red, green and blue, which produce white when mixed. The bee, however, cannot see red.

THE new research in animals is changing some old notions about what they see. Dr. Jacobs says cats are not totally color-blind, as once thought. Nevertheless, he believes feline color vision "is at best a pale

copy of human trichromacy," vision based on recording three parts of the spectrum. There have been no definitive studies of dogs' color vision, he added, but it is probably no better than that of cats.

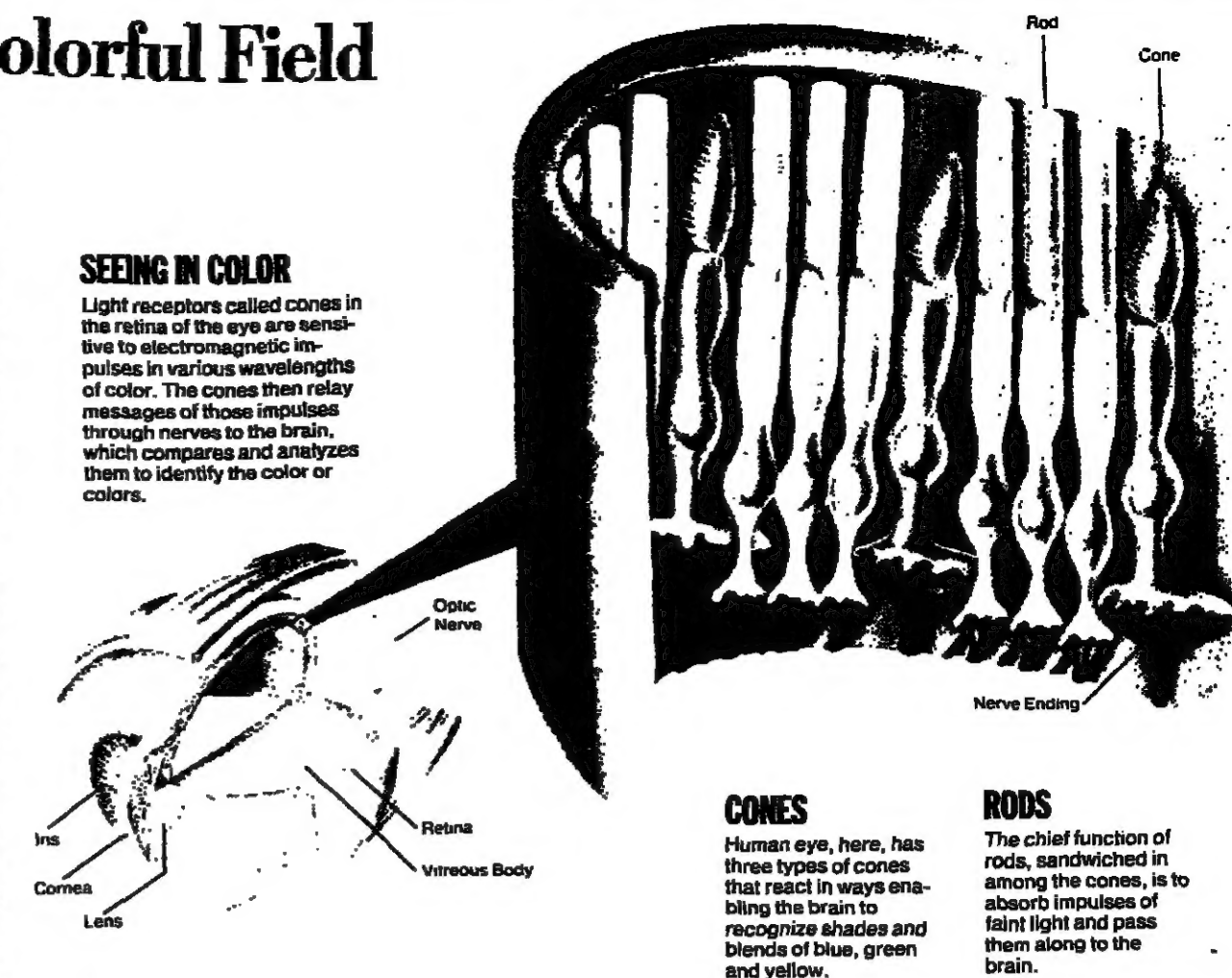
Pigeons have an extraordinary ability to discriminate between almost identical shades, wavelength differences of only a few billionths of a meter. Pigeons use a combination of photosensors and light filters that may record as many as five different spectral bands.

Some animals that are daytime feeders, such as hummingbirds, can see into the ultraviolet part of the spectrum that humans cannot see at all, which may help them find flowers or ripe fruit.

Frogs, in tests with illuminated panels, show a preference for blue, and it appears that color vision is common in amphibians. However, Dr. David J. Ingle of the Eye Research Institute in Boston, who has been working with frogs, notes that the limits of their color perception have not been established. Reptile retinas are rich in the receptors normally used for color vision, but their ability also remains untested.

Goldfish, like humans, have three classes of color receptor and their performance has been tested in various laboratories, including that of the Rowland Institute for Science in Cambridge, Massachusetts. Early this year, Dr. Ingle, then at Rowland, reported that goldfish determine the color of a surface not by merely measuring its radiating wavelength but by contrasting it with the light from other elements of the scene. Such "retinex" vision in human beings was postulated by Edwin H. Land, founder of Polaroid Corp. and the Rowland Institute, as early as 1959.

In Dr. Ingle's new tests, the wavelengths of light reaching the fish from a Mondrian-type patchwork of colors were radically altered by changing the color and intensity of illumination. Yet the



SEEING IN COLOR

Light receptors called cones in the retina of the eye are sensitive to electromagnetic impulses in various wavelengths of color. The cones then relay messages of those impulses through nerves to the brain, which compares and analyzes them to identify the color or colors.

CONES

Human eye, here, has three types of cones that react in ways enabling the brain to recognize shades and blends of blue, green and yellow.

RODS

The chief function of rods, sandwiched in among the cones, is to absorb impulses of faint light and pass them along to the brain.

Bid for 'Green Revolution' in Africa Bringing a Few Glimmers of Success

By Philip M. Boffey
New York Times Service

WASHINGTON — After decades of frustrating failure, scientists are reporting glimmers of success in efforts to design "miracle crops" for Africa.

In recent months, farmers in Zimbabwe have achieved record harvests of maize using a high-yielding hybrid developed by agricultural researchers, a high-yield, drought-resistant strain of sorghum has been distributed to some farmers in Sudan and progress has been claimed toward developing new varieties of other staple food crops in Africa.

Nobody expects an overnight technological revolution in African agriculture. But some scientists believe science may ultimately do for Africa what it has helped accomplish in much of Asia — elimination of chronic food shortages and periodic famines.

"The job is going to take some time," said Nyle C. Brady, assistant administrator for science and technology in the U.S. Agency for International Development. "But you just know it's going to unfold. I

don't think there's any question that the potential is there."

Mr. Brady may be in a good position to know. He once headed the International Rice Research Institute in the Philippines, a laboratory that is credited with a major role in developing high-yielding varieties of rice that helped bring a "Green Revolution" to previously food-short regions of Asia.

But similar promises about improving African agriculture have been made for decades with little to show for it so far, said Carl K. Eicher, professor of agricultural economics at Michigan State University, who has performed perhaps the most extensive recent reviews of agricultural technologies in sub-Saharan Africa.

"Some scientists have consistently promised too glowing a prospect," he said. "There has been a gap between expectations and performance, and there's a credibility problem now. Africa has brought many scientists to their knees on this question."

The lack of crop varieties capable of producing high yields in Africa's harsh and variable climatic

conditions is a contributing factor in the African famine. Africa is still in dire straits despite international food aid and the return of rain to some areas. A report in July by the United Nations Office for Emergency Operations in Africa said that "the situation in the continent's most severely affected nations is continuing to deteriorate."

Prospects for improved agricultural productivity in Africa are uncertain. Many scientists draw hope from the fact that agricultural research has increased crop yields in Asia and Latin America in recent decades. The achievements in some countries once viewed as hopeless have been prodigious. India, which relied heavily on imported food in the 1960s, is largely self-sufficient in cereal production. Bangladesh, widely described as a basket-case two decades ago, is approaching self-sufficiency. China, which suffered a devastating famine between 1958 and 1961, is exporting food, an achievement that Chinese officials attribute partly to improved crop varieties and partly to governmental policies designed to encourage better farming.

But Africa has a harsher climate, its land is more depleted and its countries are generally poorer. It has far fewer trained scientists and research institutions and its inexperienced governments have been unwilling or unable to adopt policies that favor agricultural development over urban development.

TWENTY years ago, Professor Eicher said, international experts believed they could quickly transfer Green Revolution technology to Africa, but the crops ran up against new diseases, soils and weather conditions.

"Coming up with a Green Revolution in Africa is going to be a much tougher job than it was in India or Mexico," said Glen Vollmar, associate dean for international programs at the University of Nebraska and director of an international program, financed by AID, to develop new varieties of two staple grain crops in Africa, sorghum and millet.

Perhaps the most recent research success is a high-yielding, drought-resistant strain of sorghum developed in Sudan, one of the countries most severely affected by the drought. "It's so new that they're right now trying to get it into the hands of farmers," said Mr. Brady.

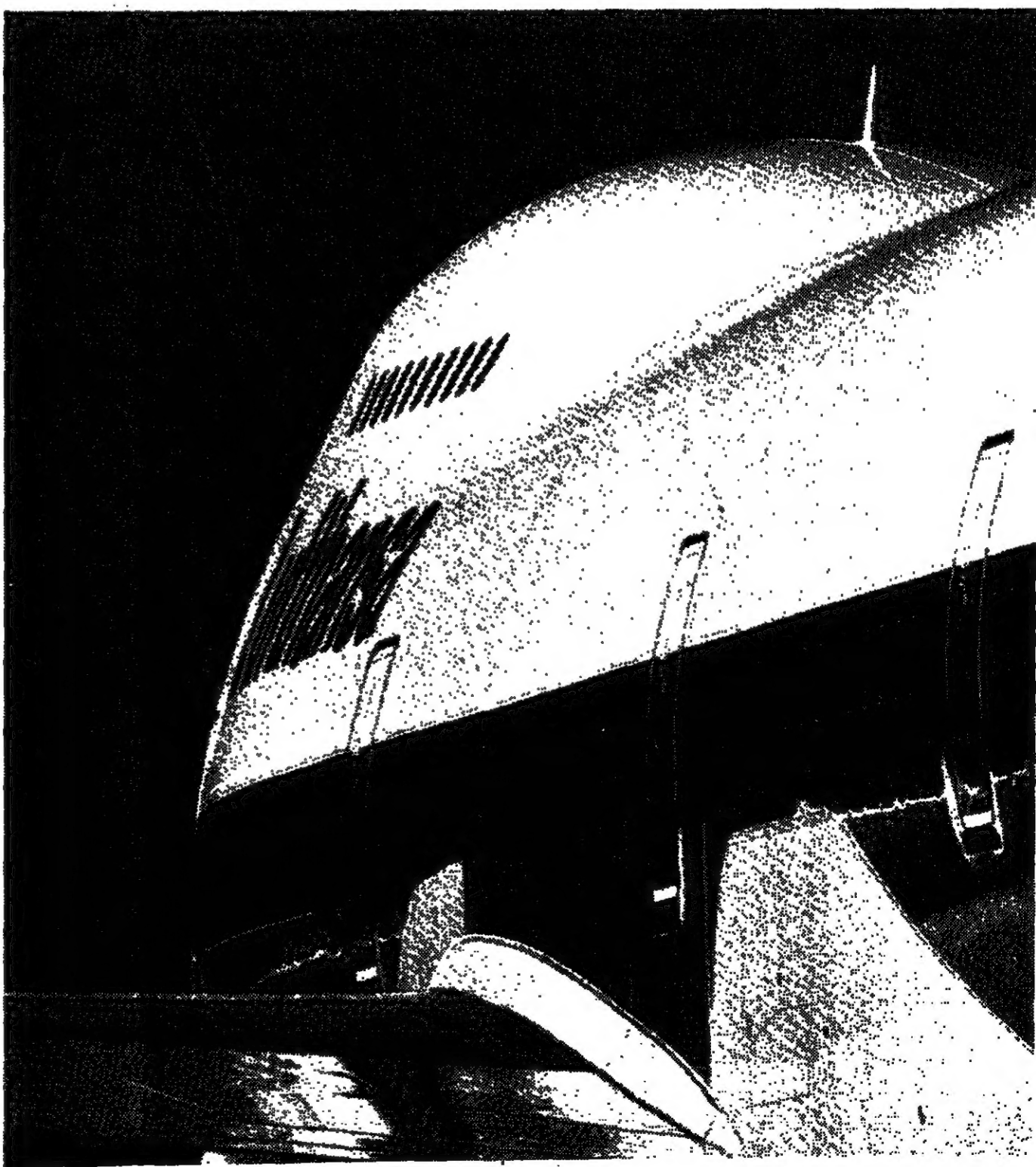
Dr. Woods Thomas, director of international programs at Purdue University, said several new hybrid sorghum strains had been developed by scientists working in Sudan in the past six years. He said that one strain looked "very, very promising" in test plantings last year; its seed is being multiplied for distribution to farmers.

Similar gains may be on the more distant horizon with millet. "Very little work has been done with millet over the years," said William D. Stegmeier, a research agronomist at Kansas State University, one of the leading U.S. centers of millet research. "I suspect part of the reason is that it's a crop consumed by the poorest people in the poorest areas of the world. But in the last few years it's been receiving a lot more attention, especially in Africa."

He said new varieties of millet were being grown on a small scale in several communities in Sudan, including one that matures more quickly, making it potentially useful when the rainy season is short.

The most dramatic practical success so far, Mr. Brady said, is the recent widespread adoption in Zimbabwe of high-yielding strains of maize that were developed years ago by international and government research stations. This year's maize crop in Zimbabwe far exceeded expectations, Mr. Brady said, largely because the strains were used on small farms more widely than anyone predicted. "The notion that poor people won't accept new technology is hogwash," he said.

The outside of a plane tells you a lot about the inside.



Lufthansa

IN BRIEF

Dinosaur Bones Found in Alaska

ANCHORAGE, Alaska — More than 150 dinosaur bones have been discovered on Alaska's North Slope, a find that casts doubt on the theory that two months of darkness from a huge dust cloud after an asteroid collision with Earth caused dinosaurs' extinction.

The find confirms that dinosaurs roamed the north when it was a subtropical swamp, said Professor William Clemens of the University of California at Berkeley. It also "suggests that dinosaurs, at least some of them, were adapted to an environment where they had to contend with six weeks to two months of darkness" a year, he said; they thus would have been relatively unaffected by the asteroid dust cloud.

In another recent paleontological find, more than 20 pounds (9 kilograms) of fossil wood and bones have been recovered at a construction site near the La Brea Tar Pits. Scientists said the find should provide the first clear idea of what Southern California was like shortly after the most recent Ice Age, 15,000 to 25,000 years ago.

And near Frick, Switzerland, scientists reported finding what appears to be a complete skeleton of a plateosaur, 210 million years old and measuring 5.8 meters (19 feet) from head to tail. (AP, LAT)

Rockefeller Gift to Sloan-Kettering

NEW YORK (NYT) — The Memorial Sloan-Kettering Cancer Center has received a \$36.2-million gift from Laurence S. Rockefeller. The hospital plans to build a \$78-million research and conference center, partly financed by the donation and named in honor of Rockefeller's father, John D. Rockefeller Jr., officials said.

The gift, which officials called one of the largest ever by an individual to a health-care institution, came in response to a \$300-million fundraising drive, bringing the drive just over halfway to its goal.

Supersensitive X-Ray Camera Made

WASHINGTON (NYT) — Scientists from the Los Alamos National Laboratory in New Mexico have developed a supersensitive X-ray camera to be carried by the space shuttle. Military Space, a Washington newsletter, said the camera was meant to provide precise detection of nuclear weapons tests in Earth's atmosphere.

"We will use natural X-ray sources — stars and galaxies — to test the imaging capabilities," said Dr. Ed Fenimore, a Los Alamos physicist.

The camera consists of 20 six-sided metal plates, each with more than 26,000 holes. Each hole acts as a pinhole camera. Current detectors can pick up X-rays with energy of fewer than 5,000 electron volts; Los Alamos scientists said their camera would be sensitive to X-rays of 2,000 to 60,000 electron volts.

Rats Fine After In-Utero Space Trip

MOSCOW (AP) — Tass has announced the birth of healthy baby rats on Earth after a period of gestation in space.

The official news agency was reviewing the results of Cosmos-1667. The official news agency was reviewing the results of Cosmos-1667. The official news agency was reviewing the results of Cosmos-1667. The official news agency was reviewing the results of Cosmos-1667.

It did not say when the rats were born, or at what stage of pregnancy their mothers were sent into space. It said the experiment with the rats was the first of its kind in space exploration.

Cough Syrup Used Against Infertility

WASHINGTON (UPI) — A fertility specialist says a common ingredient of non-prescription cough remedies is a "cheap, safe and effective" way to help women in whom cervical mucus stops sperm from entering the uterus, causing infertility.

Dr. Jerome Check, an associate professor of obstetrics and gynecology at Thomas Jefferson University in Philadelphia, said small doses of cough syrup or cold capsules containing the expectorant, guaifenesin, can thin the mucus. He said conventional treatment was about \$1.70.

While a bottle of cough syrup was about \$1.70, Dr. Check's research because he did not use scientific controls. But Dr. Joseph Bellina, an adviser to the National Institutes of Health and director of a fertility research center in New Orleans, said he frequently recommended the treatment.

May 1985

BUSINESS ROUNDUP

United Wins U.K. Clearance To Attempt Fleet Takeover

By Bob Haggerty
International Herald Tribune

LONDON — The government Wednesday cleared a plan by United Newspapers PLC to attempt a takeover of Fleet Holdings PLC, which publishes the Daily Express, the Daily Star and other newspapers and magazines.

Based on Fleet's current share price, the company is valued at £279 million (about \$389 million). United, which owns Punch and other magazines and newspapers, welcomed the decision but declined to announce terms. The company said its board would announce its intentions shortly. United already owns 20 percent of Fleet.

Canadian Group Lowers Estimate For Hibernia Oil

REUTERS
CALGARY, ALBERTA — The Canadian Petroleum Association said Wednesday it revised downward the size of the Hibernia oil field off Newfoundland to estimated oil reserves of 648 million barrels, from 1.10 billion.

The association attributed the decrease to a better understanding of Hibernia's geology after six years of drilling.

What was once thought to be a large, connected, oil-bearing formation has turned out to be a fractured structure of smaller oil deposits, the association said.

U.S. Judge Orders Coca-Cola To Reveal Secret Formula

Compiled by Our Staff From Dispatches
ATLANTA — Coca-Cola Co. has vowed to keep secret its 99-year-old formula for Coke, despite a federal judge's ruling ordering the soft-drink maker to disclose the recipe.

The order came Tuesday in a 1983 lawsuit filed by 40 Coca-Cola bottlers over the company's pricing policies. The bottlers are seeking formulas for all of Coca-Cola's drinks in a bid to prove that the beverages do not differ substantially and should be sold under the same pricing structure.

U.S. District Judge Murray Schwartz of Wilmington, Delaware, agreed that Coca-Cola should divulge the formulas, but only to attorneys and experts representing the bottlers.

"Nothing is sacred in civil litigation," the judge said.

"The company has never dis-

Fleet retorted Wednesday that its board believes the company's value is "greatly in excess of the current market price." Ian Irvine, Fleet's managing director, added: "We can see no reason why we should put two companies together such as Fleet and United."

In its report, the Monopolies and Mergers Commission said the proposed takeover would have no significant effect on newspaper competition.

Derek Terrington, a newspaper analyst at Grieson, Grant & Co., said he believed United was likely to seek a partner to help it buy and operate Fleet.

He noted that the acquisition would double the size of United and that the company has had no experience in running national newspapers since 1930.

Finding such a partner would not be difficult, Mr. Terrington suggested. "There's always somebody willing to have a bash at running national newspapers," he said.

In 1984, United derived about half of its operating profit from the United States, where it owns PR Newswire, which electronically distributes public relations material, as well as trade and technical journals.

In Britain, the company owns the Yorkshire Post and about 60 other provincial papers, including advertising sheets. Along with Punch, it publishes such magazines as Glass Age and Pig Farming.

Fleet also has interests in trade magazines, provincial newspapers and television.

Mr. Terrington said he expected that Fleet would report pretax profit of about £25 million for the year ended last June 30, up from £22.1 million a year earlier. He forecast that United would show pretax profit of £33.5 million in 1985, up from £26.7 million in 1984.

The company said then that because Diet Coke was a different product than Coca-Cola, it was not bound by its existing contract with the bottlers and thus could raise the price bottlers pay for the diet drink, said Bill Schmidt, head of the Bottlers of Coca-Cola U.S.A., which has taken Coca-Cola to court.

Bottlers pay between \$2.73 and \$3.26 a gallon for old Coke and \$3.80 and \$4.60 for Diet Coke, depending on whether they have signed supply contracts with the company, Mr. Schmidt said.

The issue became murkier still when Coca-Cola replaced old Coke with the new version last April, and three months later, bowed to consumer pressure and revived the Real Thing, renaming it Coca-Cola Classic.

Coca-Cola said that the products involved are Coca-Cola, Coca-Cola Classic, Diet Coke, Caffeine-Free Coke, Caffeine-Free Diet Coke and Cherry Coke.

The formula for Coca-Cola was developed on May 6, 1886, by an Atlanta pharmacist, John Pemberton, who stirred up the first batch in a three-legged brass pot in his backyard. (AP, WP, Reuters)

Sir Clive Given Confidence Vote From Creditors

LONDON — Sir Clive Sinclair, the British inventor and entrepreneur who is fighting to keep his computer company afloat, appeared Wednesday to have won a breathing space from his creditors.

Sir Clive's creditors, who are owed an estimated £15 million (\$20.7 million), said they were "broadly supportive" of his company, Sinclair Research, and hoped to reach an agreement on rescheduling the debt within the next few days.

The statement by the creditors, which include Barclays Bank, Citibank and the company's main suppliers Thorn-EMI and Timex, followed a meeting with Sir Clive earlier this week.

Sources among the creditors said Sir Clive had outlined his plans for the vital pre-Christmas shopping season when most micro-computer sales are made.

They said the creditors were likely to allow Sinclair to continue operations in the hope of a successful winter that would restore the company to financial health after a collapse in home-computer sales.

Atlas Copco Says Earnings Increased 47% in First Half

By Juris Kaza
International Herald Tribune

STOCKHOLM — Atlas Copco AB, a Swedish air compression, mining equipment and tool group, reported Wednesday that pretax earnings rose 47 percent to 422 million kronor (\$50.8 million) in the first half of 1985.

In the second quarter, earnings rose 45 percent to 220 million kronor from 152 million kronor in the like quarter last year and compared with 202 million kronor in the 1985 first quarter.

Involved sales were up 18 percent in the first half to 5,003 billion kronor, while order bookings rose 13 percent to 5,322 billion kronor, Atlas Copco said in an interim report.

The group's president, Tom Wachtmeister, said that the sharp improvement in earnings was the result of better market conditions as well as rationalization measures taken by Atlas Copco in recent years.

He reaffirmed Atlas Copco's earlier forecast that earnings would "significantly exceed" the 1984 figure of \$73 million kronor. The forecast said sales would rise to more than 10 billion kronor in 1984.

Mr. Wachtmeister said that in volume terms, orders increased 8 percent. Orders rose 10 percent in

Western Europe. Atlas Copco's largest market, 30 percent in South America and 30 percent in Australia, he said.

Orders from the United States were stagnant, Atlas Copco said. Mr. Wachtmeister said that the Swedish group, with 92 percent of sales on export markets, had taken market shares away from its most important competitors during the slump for mining and air compression companies.

Analysts said Atlas Copco's interim results were in line with expectations.

Michael Willis Fleming, a specialist in Scandinavian equity with E.B. Savory Millin in London, called Atlas Copco "a very cheap stock" that was "bound to run if the Swedish market becomes popular again."

Mr. Fleming said it was likely that Atlas Copco would raise its dividend to 6 kronor per share for 1985 from 450 kronor in 1984.

Mr. Wachtmeister said that the dividend was a matter for Atlas Copco's board and shareholders' meeting to decide, but he hinted that a payout increase might be recommended.

Sales for Atlas Copco Airpower, the company's largest division, rose 17 percent to 2,339 billion kronor, while order bookings were up 16 percent to 2,542 billion kronor.

H.K. Dollar Is Thriving With Linkage

(Continued from Page 9)

redeem notes from other banks at the same rate. The broad theory behind the package was that the forces of arbitrage between the rest of the colony's banks and the note-issuing banks would keep the value of the Hong Kong dollar trading in a band of one U.S. dollar to 7.78-7.82 Hong Kong dollars.

A key part of the theory was the role of interest rates. Rates were to be adjusted by the Association of Banks in Hong Kong, depending on the demand for Hong Kong dollars and fluctuating in response to the market. Meanwhile, the Hong Kong dollar's assigned value of one U.S. dollar to 7.80 Hong Kong dollars would remain relatively stable.

The idea was completely untried at the time. But the colony's financial secretary, John Brembridge, in his urgency to arrest the plunging Hong Kong dollar, boldly adopted the rescue package and in doing so, departed from the Hong Kong government's traditionally laissez-faire policies.

Some months after the package was implemented, Mr. Brembridge confessed that he still awoke each morning to learn with relief that "the link," as it came to be known, was holding firm.

Two years later, it is clear that the link has not only worked, but worked extraordinarily well. By mid-July of this year, the Hong Kong dollar soared to its highest level against the greenback since the introduction of the link,

trading at 7.71 Hong Kong dollars, or 1.15 percent higher than the linked rate, as the U.S. dollar fell in an international bout of selling triggered by doubts about the U.S. economy.

To encourage a capital outflow to the U.S. dollar, the Association of Banks of Hong Kong adjusted Hong Kong dollar interest rates downwards twice in one week in July to rest at the present level of an annual 6 percent for prime lenders. This was a dramatic contrast to the high of 17 percent reached in July 1984.

Commercially available bank deposit rates for three months fell below the Hong Kong annual rate of inflation of about 3.6 percent, making them negative interest rates in inflation-adjusted terms.

Market rumors that the link would be adjusted to accommodate the strong Hong Kong dollar gained momentum, and the British-based Henley Center for Forecasting reported that a continuing weaker U.S. dollar and capital inflows to Hong Kong would result in a "relaxation" of the link in the last quarter of this year.

However, in the weeks since the last readjustment of the local interest rates, the U.S. dollar has gradually firmed in Hong Kong, with the help of large Hong Kong banks, particularly Hongkong & Shanghai. They are reportedly selling Hong Kong dollars in London, and buying U.S. dollars in Hong Kong.

The three-percentage-point differential between U.S.-dollar and Hong Kong-dollar interest rates at-

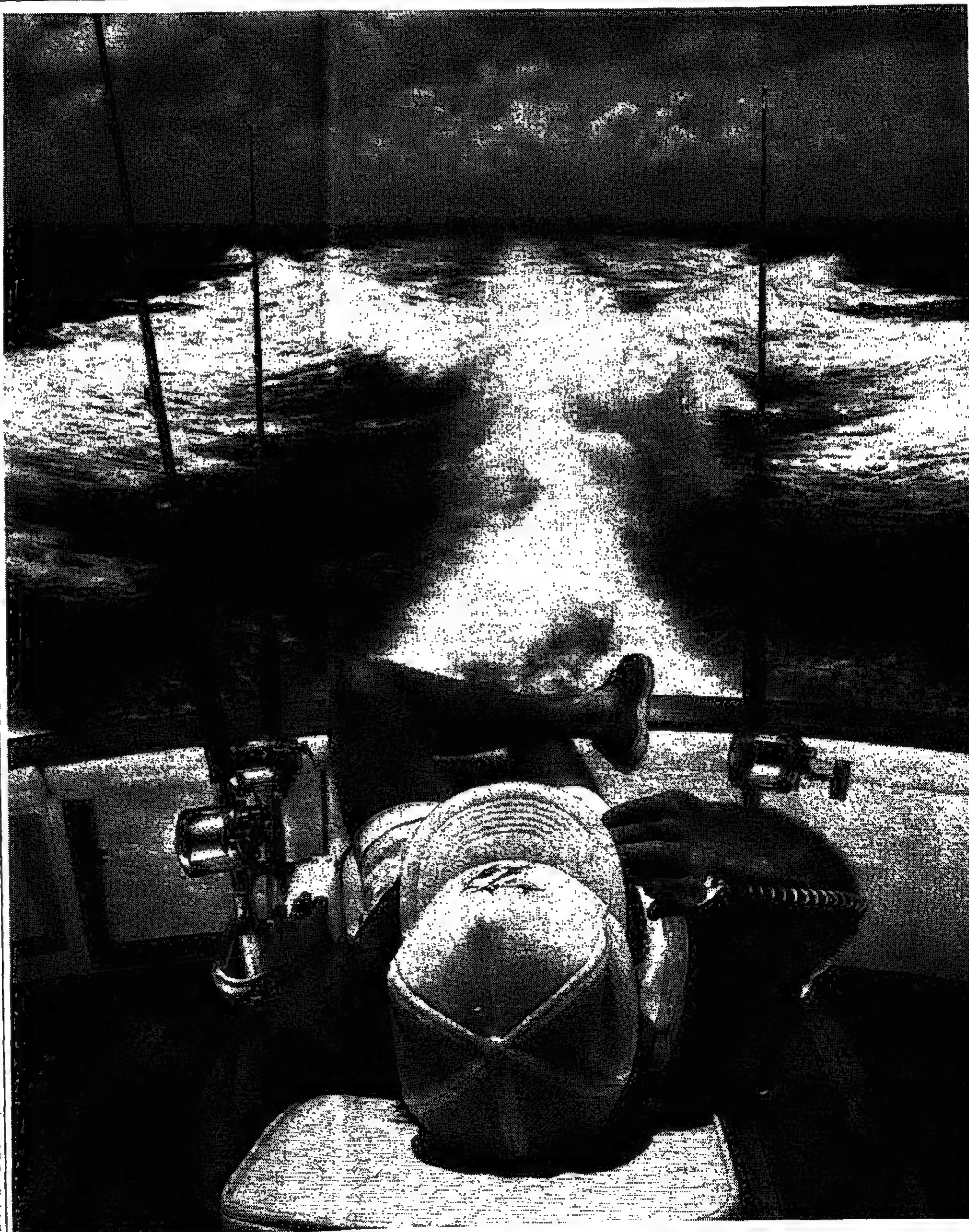
tracted general trading out of the local currency. With the firming of the U.S. dollar, the exchange link between the two currencies now holds at around 7.79. The Hong Kong dollar closed at 7.8055 to the U.S. dollar Wednesday in Hong Kong.

Continuing low Hong Kong-dollar interest rates have speeded up a property-market recovery, which was already well underway. The low interest rates have also fueled the local stock market, which leaped 29 points Aug. 6, to pierce the 1,700 mark on the Hang Seng index, its highest level in four years. On Wednesday, however, the Hang Seng fell 41.96, to 1,650.78.

However, speculation about the possible future readjustment of the link in the future lingers, not entirely erased by repeated public government endorsements of the link. In July, the colony's secretary for monetary affairs, Douglas Bye, said that the government might even approve of negative deposit interest rates, whereby bank customers would be charged for making deposits. Peter Wranham, general manager of Hong Kong & Shanghai Bank, said the imposition of negative interest rates was possible, "but practically speaking, terribly difficult to implement."

At the same time, Mr. Wranham said it was premature to assume that a readjustment of the link was needed.

On the question of rethinking the local dollar to a basket of currencies, Mr. Wranham warned: "It might throw more mud into the water than there is now."



IF YOU KNEW THAT REPUBLIC HAS BEEN CALLED "POSSIBLY THE SAFEST BANK IN THE UNITED STATES," YOU'D BE PHONING THEM TOO.

Republic National Bank of New York. Traditional banking in an age of change.

NEW YORK 11 222-90-0000 LONDON 144-11-44-2222 PARIS 11 220-100-4 LUXEMBOURG 352-470-711 MILAN 19 21-809411 A SAFER BANK WITH CAPITAL OF OVER \$1,500,000,000

Olivetti, Toshiba Form Venture

REUTERS
TOKYO — Olivetti SpA of Italy has set up a joint company in Japan with Toshiba Corp., a spokesman for the new concern said Wednesday.

The company, Olivetti Corp. of Japan, is capitalized at 2.44 billion yen (\$10.33 million), with Olivetti holding an 80-percent stake and Toshiba having 20 percent, the spokesman said.

It has taken the name, business and service activities of Olivetti's wholly owned subsidiary, which is now renamed Olivetti Properties of Japan Inc. The changes took effect on Aug. 1.

COMPANY NOTES

Bell National Corp. has filed for reorganization under Chapter 11 of the U.S. federal bankruptcy code. Its subsidiary, Bell Savings & Loan Association, was taken over by federal regulators last month, leaving Bell National with a preliminary negative net worth of \$23 million.

British Petroleum PLC has sold its 3.6-percent stake in Johnson Matthey PLC, industry sources said. BP bought the stake last October after the Bank of England stepped in to rescue Johnson Matthey's troubled banking subsidiary.

Control Data Corp., the U.S. computer concern, has tentatively agreed to sell its Magnetic Peripherals Inc. plant to three private investors as part of a broad cost-cutting plan that began last spring. Terms were not disclosed.

Dao Heng Bank Ltd. has no financial problems despite rumors to the contrary, the Hong Kong banking commissioner, Robert Fell, said. He was commenting after a routine examination of the bank's finances. Dao Heng is incorporated in Hong Kong but owned by Hong Leong Co. (Malaysia) Bhd.

Enterprise Oil PLC of Britain said it has raised its stake in Saxon Oil PLC to 15.84 percent. Earlier this week, Enterprise secured majority support from the Saxon board for a 540-pence (\$7.40) cash bid for the company, but a proposal by Saxon Petroleum Corp. PLC, a newly formed concern, to merge Saxon Oil with Charterhouse Petroleum PLC remains outstanding.

Falconbridge Ltd., the Canadian metals company, said 2,000 union-

ized workers at the company's Sudbury, Ontario, operations went on strike over a new contract. The company maintained that a tentative accord was agreed on four hours before the strike.

Firestone Tire & Rubber Co. has sold a 51-percent stake in its East African subsidiary to a Kenyan investor group, Sameer Investments Ltd. The price was not disclosed.

Hongkong & Shanghai Banking Corp. has set up a joint venture with Sino Master International Group to build a 400-room medium-class hotel in the Tsim Sha Tsui district of Hong Kong. The bank will have a 32-percent stake in the project. Sino Master, a China-based joint venture, will have the remaining stake.

Metropolitan Life Insurance Co. said it had agreed to buy Century 21 Real Estate Corp., the largest U.S. real estate sales organization. The price was not disclosed but analysts said it exceeded \$200 million.

PT Barmora, Indonesia's state coal company, said it awarded a 30-year production sharing contract to mine coal in West Sumatra to an Indonesian-Australian joint-venture company, PT Allied Indo Coal.

Sears Roebuck & Co. of the United States said that more than 3,000 merchants in Georgia have agreed to accept its new financial services card, and applications for the card will begin to be processed the week of Sept. 9. Sears plans to officially launch its Discover card early next year. Georgia will be a test market.

THE EUROPEAN
BOTTLEWORKERS

OTC
Parker

100

This technical drawing shows a cross-section of a mechanical component, possibly a piston or a valve. The drawing is oriented vertically. At the top, there is a curved surface with a small circular feature. Below this, the component has a series of internal features, including a central shaft-like structure and various chambers or passages. The drawing is highly detailed, showing the texture of the material and the precision of the manufacturing. At the bottom of the drawing, there is a scale bar with markings for measurement.

مركز ابن الأثير

CURRENCY MARKETS

Dollar Declines in Most European Trading

Compiled by Our Staff From Dispatches
LONDON — The dollar fell Wednesday against most key European currencies in moderately active trading.

Foreign-exchange dealers said the U.S. government's upward revision of its estimate for second-quarter growth in its gross national product to 2 percent Tuesday was shrugged off in early trading in Europe.

In July, GNP, which measures the total output of goods and services including income from foreign investments, had been expected to rise 1.7 percent, and most investors had been expecting a downward revision.

"On balance, there isn't much evidence that the U.S. economic growth is picking up speed," one Frankfurt dealer commented.

In London, the dollar lost ground to the British pound despite

widespread predictions of more interest rate cuts there. The pound ended at \$1.3903, up from \$1.389 on Tuesday.

The dollar finished in London at 2.7690 Deutsche marks after opening at 2.7772. Earlier in Frankfurt, the dollar was fixed at 2.7813 DM, up from 2.7652 DM previously.

Dealers in Frankfurt said the trading was mostly between banks and that activity picked up in the afternoon.

Bank traders were squaring their positions following uncertainty by U.S. traders as a result of the GNP revision, analysts said.

"We're waiting for new U.S. data to show us the way," one dealer asserted.

But the dollar gained in Paris, ending at 8.4995 French francs, up from 8.441 francs previously.

The U.S. currency ended in Zurich at 2.2765 Swiss francs, down from 2.2825 francs.

Earlier in Tokyo, the dollar was quoted at 237.45 yen, up from 236.85 on Tuesday. Later, in London, the dollar closed at 237.15 yen.

On Tuesday in London, the dollar ended at 237.30 yen.

One U.S. bank dealer said dollar selling in New York sent the currency down.

"This has happened a lot recently and the market is so quiet it is difficult to judge whether it is a genuine movement or not," he added.

Anti-dollar feelings were expected to prevail until solid evidence of a revival by the U.S. economy appeared.

The U.S. government is to release Thursday data on July output, the consumer price index and money supply figures for the latest week.

TAIPEI — Taiwan, under growing U.S. pressure, agreed to lower tariffs and import more American products to reduce its hefty trade surplus, said Wednesday.

Vincent Siew, director of the Board of Foreign Trade, said that Taiwan would send a "buy American" mission next month to purchase \$380 million worth of products.

He said that its shopping list would include machinery and 1.27 million tons of grain, including 630,000 tons of maize, 351,000 tons of wheat, 240,000 tons of soybeans and 52,000 tons of barley.

Mr. Siew said that the Board of Trade has put it together and done a good job. It's not taking away from the Merc. It's that the Merc now has a competitor.

Fueled by the huge growth in its United States Treasury bond futures contract, the Board of Trade's financial futures volume rose sharply to 39 million contracts last week from 7 million in 1980.

Indeed, the Merc's 1984 volume of 44.9 million contracts was well below the 74.4 million contracts traded last year by the Board of Trade, where soybean and corn futures have traditionally dominated.

"You're seeing a lot of creative thinking coming out of the Board of Trade," said Jack Zander, managing partner of the Chicago-based Futures Discount Group. "The Merc seems to be catching its breath."

There is intense rivalry between the Board of Trade and the Merc to introduce new products. Indeed, the exchanges often hire economists and professors to develop new contracts. Many Merc members have expressed uneasiness about the Board of Trade's Treasury bond contract that has stirred so much volume — and so many commissions — to the senior institution.

The two exchanges came into their most direct competition last fall when they both wooed the National Association of Securities Dealers for the right to trade futures on the association's over-the-counter stock index. The NASD awarded the index to the Board of Trade.

The Merc responded by applying to the Commodities Futures Trading Commission to trade a competing futures contract based on the S&P 500 index.

The Merc and Board of Trade are expected to begin trading the OTC index contracts later this year, and odds makers expect the two exchanges to duel long and hard to get the bulk of the OTC index business.

"It will be a real competitive battle," said Mr. Brodsky. "Everyone feels that one exchange will survive." The other is expected to abandon the contract.

Last September, the Merc showed its inventiveness when it began a partnership with the Singapore International Monetary Exchange. Under the "mutual offer" arrangement, investors can open a position in German-mark futures at noon in Chicago and close the position 12 hours later in Singapore. The arrangement is a major step toward round-the-clock trading and has spurred competing exchanges to seek their own overseas links.

"The next decade will be the decade of Asia, just as the last decade was the decade of Europe," said Mr. Melamed. "Thirty percent of our business comes from Europe and we hope in the next decade we'll get that kind of result from Asian countries."

To attract more Asian interest in futures, the Merc obtained the right last month to trade futures on the Nihon Keizai Shimbun stock index, a Tokyo newspaper's index for Japanese stocks.

The Merc's officials plan to sub-license the index to the Singapore exchange's volume.

Another challenge facing Mr. Brodsky at the American Stock Exchange before joining the Merc in 1982, is to make the Merc known as an options exchange. In January 1984, it began trading options on German mark futures, and has since added options on British pound, Swiss franc and three-month Eurodollar futures. Thanks to the dollar's recent decline, the Merc's options volume has finally reached respectable levels since June.

Taiwan to Drop More Tariffs

Reuters

TAIPEI — Taiwan, under growing U.S. pressure, agreed to lower tariffs and import more American products to reduce its hefty trade surplus, said Wednesday.

Vincent Siew, director of the Board of Foreign Trade, said that Taiwan would send a "buy American" mission next month to purchase \$380 million worth of products.

He said that its shopping list would include machinery and 1.27 million tons of grain, including 630,000 tons of maize, 351,000 tons of wheat, 240,000 tons of soybeans and 52,000 tons of barley.

Mr. Siew said that the Board of Trade has put it together and done a good job. It's not taking away from the Merc. It's that the Merc now has a competitor.

Fueled by the huge growth in its United States Treasury bond futures contract, the Board of Trade's financial futures volume rose sharply to 39 million contracts last week from 7 million in 1980.

Indeed, the Merc's 1984 volume of 44.9 million contracts was well below the 74.4 million contracts traded last year by the Board of Trade, where soybean and corn futures have traditionally dominated.

"You're seeing a lot of creative thinking coming out of the Board of Trade," said Jack Zander, managing partner of the Chicago-based Futures Discount Group. "The Merc seems to be catching its breath."

There is intense rivalry between the Board of Trade and the Merc to introduce new products. Indeed, the exchanges often hire economists and professors to develop new contracts. Many Merc members have expressed uneasiness about the Board of Trade's Treasury bond contract that has stirred so much volume — and so many commissions — to the senior institution.

The two exchanges came into their most direct competition last fall when they both wooed the National Association of Securities Dealers for the right to trade futures on the association's over-the-counter stock index. The NASD awarded the index to the Board of Trade.

The Merc responded by applying to the Commodities Futures Trading Commission to trade a competing futures contract based on the S&P 500 index.

The Merc and Board of Trade are expected to begin trading the OTC index contracts later this year, and odds makers expect the two exchanges to duel long and hard to get the bulk of the OTC index business.

"It will be a real competitive battle," said Mr. Brodsky. "Everyone feels that one exchange will survive." The other is expected to abandon the contract.

Last September, the Merc showed its inventiveness when it began a partnership with the Singapore International Monetary Exchange. Under the "mutual offer" arrangement, investors can open a position in German-mark futures at noon in Chicago and close the position 12 hours later in Singapore. The arrangement is a major step toward round-the-clock trading and has spurred competing exchanges to seek their own overseas links.

"The next decade will be the decade of Asia, just as the last decade was the decade of Europe," said Mr. Melamed. "Thirty percent of our business comes from Europe and we hope in the next decade we'll get that kind of result from Asian countries."

To attract more Asian interest in futures, the Merc obtained the right last month to trade futures on the Nihon Keizai Shimbun stock index, a Tokyo newspaper's index for Japanese stocks.

The Merc's officials plan to sub-license the index to the Singapore exchange's volume.

Another challenge facing Mr. Brodsky at the American Stock Exchange before joining the Merc in 1982, is to make the Merc known as an options exchange. In January 1984, it began trading options on German mark futures, and has since added options on British pound, Swiss franc and three-month Eurodollar futures. Thanks to the dollar's recent decline, the Merc's options volume has finally reached respectable levels since June.

Chicago Merc Is Facing Challenge From Board

(Continued from Page 9)
fluctuations, and three-month Eurodollar futures to hedge against interest-rate swings.

Futures contracts are agreements to deliver or receive commodities or currencies at a specified time and price. Options give investors the right, but not the obligation, to buy or sell something at a specified time and price.

"For a long time, the Board of Trade couldn't do a thing right," said Mr. Melamed, who now serves as special counsel to the Merc's board. "They got the reputation of not being with it, particularly in the financial futures scene. That highlighted the Merc's success."

"What happened late," Mr. Melamed added, "is the Board of Trade has put it together and done a good job. It's not taking away from the Merc. It's that the Merc now has a competitor."

Fueled by the huge growth in its United States Treasury bond futures contract, the Board of Trade's financial futures volume rose sharply to 39 million contracts last week from 7 million in 1980.

Indeed, the Merc's 1984 volume of 44.9 million contracts was well below the 74.4 million contracts traded last year by the Board of Trade, where soybean and corn futures have traditionally dominated.

"You're seeing a lot of creative thinking coming out of the Board of Trade," said Jack Zander, managing partner of the Chicago-based Futures Discount Group. "The Merc seems to be catching its breath."

There is intense rivalry between the Board of Trade and the Merc to introduce new products. Indeed, the exchanges often hire economists and professors to develop new contracts. Many Merc members have expressed uneasiness about the Board of Trade's Treasury bond contract that has stirred so much volume — and so many commissions — to the senior institution.

The two exchanges came into their most direct competition last fall when they both wooed the National Association of Securities Dealers for the right to trade futures on the association's over-the-counter stock index. The NASD awarded the index to the Board of Trade.

The Merc responded by applying to the Commodities Futures Trading Commission to trade a competing futures contract based on the S&P 500 index.

The Merc and Board of Trade are expected to begin trading the OTC index contracts later this year, and odds makers expect the two exchanges to duel long and hard to get the bulk of the OTC index business.

"It will be a real competitive battle," said Mr. Brodsky. "Everyone feels that one exchange will survive." The other is expected to abandon the contract.

Last September, the Merc showed its inventiveness when it began a partnership with the Singapore International Monetary Exchange. Under the "mutual offer" arrangement, investors can open a position in German-mark futures at noon in Chicago and close the position 12 hours later in Singapore. The arrangement is a major step toward round-the-clock trading and has spurred competing exchanges to seek their own overseas links.

"The next decade will be the decade of Asia, just as the last decade was the decade of Europe," said Mr. Melamed. "Thirty percent of our business comes from Europe and we hope in the next decade we'll get that kind of result from Asian countries."

To attract more Asian interest in futures, the Merc obtained the right last month to trade futures on the Nihon Keizai Shimbun stock index, a Tokyo newspaper's index for Japanese stocks.

The Merc's officials plan to sub-license the index to the Singapore exchange's volume.

Another challenge facing Mr. Brodsky at the American Stock Exchange before joining the Merc in 1982, is to make the Merc known as an options exchange. In January 1984, it began trading options on German mark futures, and has since added options on British pound, Swiss franc and three-month Eurodollar futures. Thanks to the dollar's recent decline, the Merc's options volume has finally reached respectable levels since June.

"The next decade will be the decade of Asia, just as the last decade was the decade of Europe," said Mr. Melamed. "Thirty percent of our business comes from Europe and we hope in the next decade we'll get that kind of result from Asian countries."

To attract more Asian interest in futures, the Merc obtained the right last month to trade futures on the Nihon Keizai Shimbun stock index, a Tokyo newspaper's index for Japanese stocks.

The Merc's officials plan to sub-license the index to the Singapore exchange's volume.

Another challenge facing Mr. Brodsky at the American Stock Exchange before joining the Merc in 1982, is to make the Merc known as an options exchange. In January 1984, it began trading options on German mark futures, and has since added options on British pound, Swiss franc and three-month Eurodollar futures. Thanks to the dollar's recent decline, the Merc's options volume has finally reached respectable levels since June.

"The next decade will be the decade of Asia, just as the last decade was the decade of Europe," said Mr. Melamed. "Thirty percent of our business comes from Europe and we hope in the next decade we'll get that kind of result from Asian countries."

To attract more Asian interest in futures, the Merc obtained the right last month to trade futures on the Nihon Keizai Shimbun stock index, a Tokyo newspaper's index for Japanese stocks.

The Merc's officials plan to sub-license the index to the Singapore exchange's volume.

Another challenge facing Mr. Brodsky at the American Stock Exchange before joining the Merc in 1982, is to make the Merc known as an options exchange. In January 1984, it began trading options on German mark futures, and has since added options on British pound, Swiss franc and three-month Eurodollar futures. Thanks to the dollar's recent decline, the Merc's options volume has finally reached respectable levels since June.

"The next decade will be the decade of Asia, just as the last decade was the decade of Europe," said Mr. Melamed. "Thirty percent of our business comes from Europe and we hope in the next decade we'll get that kind of result from Asian countries."

To attract more Asian interest in futures, the Merc obtained the right last month to trade futures on the Nihon Keizai Shimbun stock index, a Tokyo newspaper's index for Japanese stocks.

The Merc's officials plan to sub-license the index to the Singapore exchange's volume.

Another challenge facing Mr. Brodsky at the American Stock Exchange before joining the Merc in 1982, is to make the Merc known as an options exchange. In January 1984, it began trading options on German mark futures, and has since added options on British pound, Swiss franc and three-month Eurodollar futures. Thanks to the dollar's recent decline, the Merc's options volume has finally reached respectable levels since June.

(Continued from Page 9)
fluctuations, and three-month Eurodollar futures to hedge against interest-rate swings.

Futures contracts are agreements to deliver or receive commodities or currencies at a specified time and price. Options give investors the right, but not the obligation, to buy or sell something at a specified time and price.

"For a long time, the Board of Trade couldn't do a thing right," said Mr. Melamed, who now serves as special counsel to the Merc's board. "They got the reputation of not being with it, particularly in the financial futures scene. That highlighted the Merc's success."

"What happened late," Mr. Melamed added, "is the Board of Trade has put it together and done a good job. It's not taking away from the Merc. It's that the Merc now has a competitor."

Fueled by the huge growth in its United States Treasury bond futures contract, the Board of Trade's financial futures volume rose sharply to 39 million contracts last week from 7 million in 1980.

Indeed, the Merc's 1984 volume of 44.9 million contracts was well below the 74.4 million contracts traded last year by the Board of Trade, where soybean and corn futures have traditionally dominated.

"You're seeing a lot of creative thinking coming out of the Board of Trade," said Jack Zander, managing partner of the Chicago-based Futures Discount Group. "The Merc seems to be catching its breath."

There is intense rivalry between the Board of Trade and the Merc to introduce new products. Indeed, the exchanges often hire economists and professors to develop new contracts. Many Merc members have expressed uneasiness about the Board of Trade's Treasury bond contract that has stirred so much volume — and so many commissions — to the senior institution.

The two exchanges came into their most direct competition last fall when they both wooed the National Association of Securities Dealers for the right to trade futures on the association's over-the-counter stock index. The NASD awarded the index to the Board of Trade.

The Merc responded by applying to the Commodities Futures Trading Commission to trade a competing futures contract based on the S&P 500 index.

The Merc and Board of Trade are expected to begin trading the OTC index contracts later this year, and odds makers expect the two exchanges to duel long and hard to get the bulk of the OTC index business.

"It will be a real competitive battle," said Mr. Brodsky. "Everyone feels that one exchange will survive." The other is expected to abandon the contract.

Last September, the Merc showed its inventiveness when it began a partnership with the Singapore International Monetary Exchange. Under the "mutual offer" arrangement, investors can open a position in German-mark futures at noon in Chicago and close the position 12 hours later in Singapore. The arrangement is a major step toward round-the-clock trading and has spurred competing exchanges to seek their own overseas links.

"The next decade will be the decade of Asia, just as the last decade was the decade of Europe," said Mr. Melamed. "Thirty percent of our business comes from Europe and we hope in the next decade we'll get that kind of result from Asian countries."

To attract more Asian interest in futures, the Merc obtained the right last month to trade futures on the Nihon Keizai Shimbun stock index, a Tokyo newspaper's index for Japanese stocks.

The Merc's officials plan to sub-license the index to the Singapore exchange's volume.

Another challenge facing Mr. Brodsky at the American Stock Exchange before joining the Merc in 1982, is to make the Merc known as an options exchange. In January 1984, it began trading options on German mark futures, and has since added options on British pound, Swiss franc and three-month Eurodollar futures. Thanks to the dollar's recent decline, the Merc's options volume has finally reached respectable levels since June.

"The next decade will be the decade of Asia, just as the last decade was the decade of Europe," said Mr. Melamed. "Thirty percent of our business comes from Europe and we hope in the next decade we'll get that kind of result from Asian countries."

To attract more Asian interest in futures, the Merc obtained the right last month to trade futures on the Nihon Keizai Shimbun stock index, a Tokyo newspaper's index for Japanese stocks.

The Merc's officials plan to sub-license the index to the Singapore exchange's volume.

Another challenge facing Mr. Brodsky at the American Stock Exchange before joining the Merc in 1982, is to make the Merc known as an options exchange. In January 1984, it began trading options on German mark futures, and has since added options on British pound, Swiss franc and three-month Eurodollar futures. Thanks to the dollar's recent decline, the Merc's options volume has finally reached respectable levels since June.

"The next decade will be the decade of Asia, just as the last decade was the decade of Europe," said Mr. Melamed. "Thirty percent of our business comes from Europe and we hope in the next decade we'll get that kind of result from Asian countries."

To attract more Asian interest in futures, the Merc obtained the right last month to trade futures on the Nihon Keizai Shimbun stock index, a Tokyo newspaper's index for Japanese stocks.

The Merc's officials plan to sub-license the index to the Singapore exchange's volume.

Another challenge facing Mr. Brodsky at the American Stock Exchange before joining the Merc in 1982, is to make the Merc known as an options exchange. In January 1984, it began trading options on German mark futures, and has since added options on British pound, Swiss franc and three-month Eurodollar futures. Thanks to the dollar's recent decline, the Merc's options volume has finally reached respectable levels since June.

"The next decade will be the decade of Asia, just as the last decade was the decade of Europe," said Mr. Melamed. "Thirty percent of our business comes from Europe and we hope in the next decade we'll get that kind of result from Asian countries."

To attract more Asian interest in futures, the Merc obtained the right last month to trade futures on the Nihon Keizai Shimbun stock index, a Tokyo newspaper's index for Japanese stocks.

The Merc's officials plan to sub-license the index to the Singapore exchange's volume.

Another challenge facing Mr. Brodsky at the American Stock Exchange before joining the Merc in 1982, is to make the Merc known as an options exchange. In January 1984, it began trading options on German mark futures, and has since added options on British pound, Swiss franc and three-month Eurodollar futures. Thanks to the dollar's recent decline, the Merc's options volume has finally reached respectable levels since June.

Earnings

Revenue and profits, in millions, are in local currencies unless otherwise indicated.

Company	1984	1983	1982	1981	1980
British					
Standard Chartered Bank	1984	1983	1982	1981	1980
Revenue	2,250	2,270	2,270	2,270	2,270
Profit	2,250	2,270	2,270	2,270	2,270
Per Share	0.30	0.31	0.31	0.31	0.31
Japan					
Canon	1984	1983	1982	1981	1980
Revenue	2,250	2,270	2,270	2,270	2,270
Profit	2,250	2,270	2,270	2,270	2,270
Per Share	0.30	0.31	0.31	0.31	0.31
Pioneer Electric	1984	1983	1982	1981	1980
Revenue	2,250	2,270	2,270	2,270	2,270
Profit	2,250	2,270	2,270	2,270	2,270
Per Share	0.30	0.31	0.31	0.31	0.31
Netherlands					
Nederland Midden Bank	1984	1983	1982	1981	1980
Revenue	2,250	2,270	2,270	2,270	2,270
Profit	2,250	2,270	2,270	2,270	2,270
Per Share	0.30	0.31	0.31	0.31	0.31
Norway					
Elkem	1984	1983	1982	1981	1980
Revenue	2,250	2,270	2,270	2,270	2,270
Profit	2,250	2,270	2,270	2,270	2,270
Per Share	0.30	0.31	0.31	0.31	0.31
Singapore					
How Far Brothers Int'l	1984	1983	1982	1981	1980
Revenue	2,250	2,270	2,270	2,270	2,270
Profit	2,250	2,270	2,270	2,270	2,270
Per Share	0.30	0.31	0.31	0.31	0.31
South Africa					
De Beers Consolidated	1984	1983	1982	1981	1980
Revenue	2,250	2,270	2,270	2,270	2,270
Profit	2,250	2,270	2,270	2,270	2,270
Per Share	0.30	0.31	0.31	0.31	0.31
United States					
Allied States	1984	1983	1982	1981	1980
Revenue	2,250	2,270	2,270	2,270	2,270
Profit	2,250	2,270	2,270	2,270	2,270
Per Share	0.30	0.31	0.31	0.31	0.31
Assoc. Dry Goods	1984	1983	1982	1981	1980
Revenue	2,250	2,270	2,270	2,270	2,270
Profit	2,250	2,270	2,270	2,270	2,270
Per Share	0.30	0.31	0.31	0.31	0.31
Carter Hawley	1984	1983	1982	1981	1980
Revenue	2,250	2,270	2,270	2,270	2,270
Profit	2,250	2,270	2,270	2,270	2,270
Per Share	0.30	0.31	0.31	0.31	0.31

THE EUROMARKETS

Borrowers Tap Virtually All Market Sectors

By Peter Conradi

Reuters

LONDON — Borrowers tapped virtually all sectors of the Eurobond market Wednesday with a crop of new issues that included two more dollar-straight issues and a couple of dual-currency yen/dollar bonds, dealers said.

But trading on the secondary market continued quiet, with dollar-straight-bond prices up 1/4 to 1/2 point from Tuesday's close and floating-rate notes unchanged to slightly higher.

On the heels of Tuesday's \$400 million of dollar-straight Eurobonds, the Dutch insurance company, Agon NV, launched a \$75-million, seven-year issue paying 10 1/2 percent and priced at par.

...the ...